

The NATIONAL UNDERWRITER

AT THIS STAGE, it's too late to check Fire insurance to determine whether the amounts on the building and contents are enough to cover any possible loss. It's also too late to sell Rents or Rental Value to cover the loss of use while the building is being rebuilt or repaired.

Check your client's Fire insurance now while there's time to correct any deficiencies.



THE TRAVELERS FIRE INSURANCE COMPANY
THE CHARTER OAK FIRE INSURANCE COMPANY

HARTFORD, CONNECTICUT

THURSDAY, JULY 29, 1937

1936

\$90,938

\$716,451

ANCHOR'S
INLAND
MARINE
PREMIUMS
INCREASE
120%

PROVIDENCE
WASHINGTON'S
INLAND
MARINE
PREMIUMS
INCREASE
100%

\$37,969,107

INLAND
MARINE
PREMIUMS
FOR ALL
COMPANIES
GAIN **35%**

\$28,064,435

\$460,933,626

TOTAL FIRE
PREMIUMS
INCREASE **18%**

\$452,686,075

1933

\$41,203

\$357,353

*Inland Marine
offers local agents
an opportunity to
increase premium
income*

The Public's Demand for

broader protection has accentuated the sale of inland marine coverages markedly during the last four years. While the total fire premiums gained 18 percent from 1933 to 1936, inland marine premiums for all stock companies increased 35 percent. Agents of the Providence Washington and the Anchor were alert to take advantage of the facilities offered by their aggressive inland marine departments—as a result the Anchor's inland marine premiums increased 120 percent during the last four years, while the Providence Washington showed a \$360,000 increase or

over a 100 percent gain. There is a great demand now for personal jewelry, fur, fine arts and other personal property floaters, as well as furriers' customer, parcel post, and many other commercial forms.

In selling inland marine you not only increase your premium income, but the assured appreciates the broad coverage service provided by inland marine forms. If you are interested in securing the aid of a progressive inland marine company, write for agency information today.

FIRE—TORNADO—OCEAN and INLAND MARINE and their allied lines—AUTOMOBILE—FIRE, THEFT, and COLLISION

PROVIDENCE WASHINGTON
INSURANCE COMPANY OF PROVIDENCE, RHODE ISLAND
INCORPORATED 1799 ★ CAPITAL \$3,000,000.00

ANCHOR INSURANCE COMPANY
Incorporated 1928 ★ PROVIDENCE, RHODE ISLAND ★ Capital \$1,000,000.00

THE NATIONAL UNDERWRITER. Published weekly (with one additional issue in April) by The National Underwriter Company. Office of publication, 175 W. Jackson Blvd., Chicago, Ill. Forty-first year. No. 30. Thursday, July 29, 1937. \$4.00 a year, 20 cents per copy. Entered as second class matter, April 25, 1931, at post office at Chicago, Ill., under act of March 3, 1879.

Carlson in Charge for America Fore on Pacific Coast

**Was Slated for Post Even
Though Edwin Parrish Had
Lived**

NEW YORK.—John A. Carlson, secretary America Fore fire companies, has been placed in charge of the group's Pacific Coast department at San Francisco, succeeding Vice-president Edwin



JOHN A. CARLSON

Parrish, who died July 10, President B. M. Culver has announced. C. V. McCarthy, also secretary of the fire companies, will be Mr. Carlson's chief assistant. H. W. Mason continues in charge of inland marine, general cover, and other sideline coverages.

Mr. Culver said that even if Mr. Parrish had lived, he would have retired this year and Mr. Carlson would have been placed in charge. Mr. Culver recalled that when Mr. Parrish was called from his retirement three years ago to resume charge of the Pacific coast territory when A. L. Merritt resigned to go with the Pearl, Mr. Parrish had agreed to continue for three years.

Carlson's Long Experience

Commenting on Mr. Carlson's qualifications for directing the America Fore's interests on the Pacific coast, Mr. Culver said that the new manager has had long experience in that territory and was Mr. Parrish's assistant, first with the Niagara and later with the entire group when the America Fore group acquired the Niagara.

Mr. Carlson's first insurance job was with the Continental of the America Fore fleet, which he joined in Chicago in 1902. After serving as special agent in the Worcester department in 1908 he became special agent of the Niagara in

(CONTINUED ON PAGE 7)

High Construction Cost Is Affecting Building Homes

**Construction Tapers Off, North-
western National Life Survey
of 83 Cities Shows—Interesting
Results**

Home building plans throughout the country have been postponed or canceled due to soaring construction costs, the Northwestern National Life reports on the basis of a survey of 83 large and small American cities. The predicted boom in residential construction this year, due to economic revival and housing shortage, falls far short of the mark even though there has been substantial percentage increase over the low level of the last few years.

Real estate boards, mortgage loan companies and architects in 65 cities reported the margin of improvement over 1936 shrinking as construction costs increased. Prevailing opinion is that increased costs have hit the building of small homes the hardest. Many speculative builders are out of the market, residential contractors were ceasing contract work this month, undertaking to get construction only on a cost-plus basis with the buyer taking the risk of wage and material boosts. Architects and contractors report many construction jobs lost due to high cost figures.

Show 15 Percent Cost Rise

The Northwestern National reports that in five out of 16 major cities in which comparative costs were tabulated, residential construction costs exceed the 1926-29 averages. These cities are Cincinnati, Cleveland, Minneapolis, San Francisco and Seattle. The home which could have been built for \$4,000 at average wage and material levels of 1936, costs \$4,602 today, the company reports, a 15 percent increase. Home building costs have advanced 5½ percent since March 1 and stand at 94.8 percent of the 1926-29 boom levels.

In Chicago, it was reported, rentals must increase 25 percent generally to catch up with present building costs and encourage new construction. People are afraid to put up rental property because of inadequate return on the investment. It was found that in 18 of the 83 cities home building has been affected little or none by the rise in cost. Considerable prospective new construction money has been diverted into purchase and improvement of older houses and the floating supply of distressed property left by depression has been practically cleaned up in many cities.

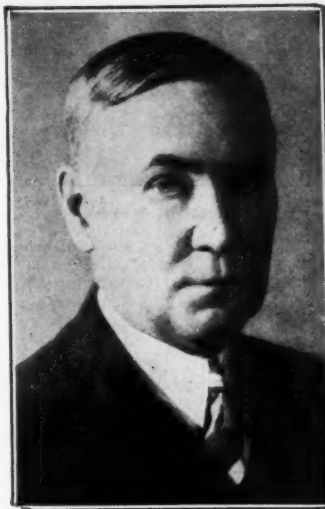
Shortage May Have Effect

Many observers feel that sheer pressure of housing needs eventually will force resumption of building operations regardless of higher cost. In Seattle it was estimated fully 50 percent of contemplated new construction has been held up and many plans to build have been abandoned. However, pressure for residential space continues to increase.

In New York City a sharp buying slump in houses is reported and the necessary increase of \$500 to \$1,000 in selling price is affecting sale of houses in the low priced brackets. An acute shortage of one-family detached houses

(CONTINUED ON LAST PAGE)

Reappoints O'Malley Conditionally For 1 Year



R. E. O'MALLEY

JEFFERSON CITY, MO.—Superintendent R. E. O'Malley will continue in office conditionally until July 1, 1938, Governor Stark announced Tuesday upon his return from Colorado Springs, where he conferred concerning O'Malley with T. J. Pendergast, Kansas City Democratic leader and sponsor of O'Malley.

The governor said that if Mr. O'Malley does anything in the next year of which he does not approve he will be removed forthwith. At the end of the year of probation the governor expects to name a permanent successor to O'Malley whose four-year term expired on July 1. The governor indicated that under no circumstances will he name O'Malley for the permanent appointment after July 1, 1938.

Stark's refusal to reappoint O'Malley for a full four-year term was a severe blow to Pendergast who had hoped to have the superintendent renamed. The governor, however, promised to consider names for O'Malley's successor that may be submitted by Pendergast.

Pendergast's Comment

At Colorado Springs Pendergast said the conditional reappointment of O'Malley for a year was satisfactory to him and that he and the governor agreed that in the event O'Malley goes out of office Stark will consider his recommendations as to a successor in the insurance department superintendency.

When informed of the governor's decision, Superintendent O'Malley said: "The announcement relative to my tenure in office will not affect or retard the progress of the insurance department. We are going right ahead. I have had too much in the department to worry about to think much about other things, such as reappointment."

Pendergast in a telephone conversation from Colorado Springs with the St. Louis "Star-Times" was quoted by that newspaper as follows:

"I wanted O'Malley's reappointment more than anything else, but the governor made me take things I didn't want to take, and it's all due to the 'Star-

Sept. 8 Is Deadline for Clearance in the St. Louis Row

**Board Agents Notified to
Resign Companies Having
Non-board Representation**

ST. LOUIS—Notices are now going out from headquarters of the Fire Underwriters Association of St. Louis officially advising those agents who represent companies that are also represented by agents that have been expelled from the association, to resign those connections by Sept. 8. It is understood that about one-half the members of the association represent one or more companies that are planted in expelled agencies.

This is a step in the important and complicated in-and-out rule controversy in the city. It started when the board refused to admit to membership the Marsh & McLennan-Case, Thomas & Marsh agency and proceeded to expel those members who would not give up representation of companies in the M. & M.-C. T. & M. office.

The situation threatens to spread, involving more and more companies and more and more agents. Perhaps some of those agents now being notified will refuse to resign the companies that have the mark on them. Then those agents will be non-conformists and all the companies that they represent will become involved as well as the board agents representing all of those companies.

Compromise Will Be Difficult

There seems to be no room for a compromise. The leaders who are committed to enforcement of the in-and-out rule at this time insist that they are going through with it. Just what the outcome will be is very doubtful. A good many believe that there can be no other result except a break up of the board. If that should come about, an attempt would undoubtedly be made to organize a new board. It might be that some agents who have heretofore belonged to the board would refuse to join any new organization.

The companies continue to take a side line position. Most of the companies have representatives in St. Louis these days almost continuously, watching developments, keeping in touch with undercurrents, so as to be prepared to take advantage of moves at the right time.

Agents who are firmly supporting the position of the local board are making attractive offers to companies that are on the fence in an attempt to get them

(CONTINUED ON LAST PAGE)

Times' and the other St. Louis newspapers hounding him.

"The St. Louis papers kept pounding into Governor Stark that he must assert his independence and that he must show the people he wasn't dominated by a political boss.

"I'll say this for you fellows, you've succeeded damn well."

Insurance Advertising Men Will Meet on Sept. 13-14

Gathering at Briarcliff, N. Y., to Take Up All Phases of Presentation of Business

"Practical Insurance Advertising" will be the key-note of the annual convention of the Insurance Advertising Conference to be held in Briarcliff Lodge, Briarcliff, N. Y., Sept. 13-14. The conference, comprised of advertising managers of leading life, fire and casualty companies in the United States, has increased its membership this year and A. A. Fisk, Prudential, president, anticipates record attendance of delegates and guests at the 1937 sessions.

Robert Brown, Jr., Aetna Casualty & Surety, and C. E. Freeman, Springfield Fire & Marine, comprise the program committee. They have arranged to have nationally recognized advertising experts, representing many phases of the profession, speak.

Group sessions will occupy a major portion of the time with E. E. Vogt, Millers National, occupying the chair in the fire and casualty group. The life session will be directed by one of the most active members, yet to be selected.

Following the luncheon the first day two addresses will be heard, one on "Insurance Advertising from the Standpoint of the Advertising Agent and the Insurance Broker," the other, "Color in Advertising and Printing." The annual reception and dinner-dance will be given that evening.

Election of officers will occupy the general session the second morning. During the luncheon there will be a talk on the "Possibilities and Future of Advertising" by a national authority.

General Exchange at Mid-Year

The mid-year figures of General Exchange, the automobile writing company that is owned by General Motors, indicate that premium writings are at about the same level that they were last year. For the first six months of this year net premiums written were \$15,547,520. For the entire year 1936, premiums were \$31,462,932. Premium reserve, however, increased by about \$1,500,000 since Dec. 31, 1936. Assets have increased about \$4,000,000 and surplus is nearly \$4,000,000 greater.

C. & O. Cincinnati Bridge Insured

CINCINNATI.—The C. & O. bridge, between Cincinnati and Covington, Ky., recently purchased by the state of Kentucky, has been insured under a bridge all-risk form through the Marine Office of America for \$1,000,000.

Establishes Marine Division

SAN FRANCISCO.—F. M. Avery, vice-president and Pacific Coast manager Fire Association group, is establishing a complete inland and ocean marine department to start operations Aug. 1. The business formerly was written by marine general agents. The move is in line with similar developments at the home office where V. W. Souders recently was transferred to assume charge. Manager of the new Pacific department will be announced later.

Stanley Pearce, advertising manager Fireman's Fund, is winning additional laurels for his thespian abilities. Long a member and director of the Palo Alto Community Players, Mr. Pearce is now appearing as Lieutenant Osborne in "Journey's End." Mr. Pearce not only appears as an actor in these dramatic ventures, but has also written a number of skits, one of which was produced with considerable success at the 1936 convention of the California Association of Insurance Agents.

Death Takes Prominent Agent at Grand Rapids



G. EARLE McVOY

G. Earle McVoy, 50, well known local agent at Grand Rapids, Mich., executive vice-president and treasurer of Vanden Bosch & McVoy, Inc., insurance agency, and proprietor of G. Earle McVoy & Co., real estate firm, died Saturday afternoon in Blodgett Hospital in his city where he was taken for medical treatment. His death was due to heart trouble. He was a former president of the Michigan Association of Insurance Agents and was one of the potent factors in that organization. He was a native of Liberty, Pa. He leaves a daughter and two sons. In addition to Mr. McVoy, M. T. Vanden Bosch is president of the agency; O. J. Sawyer, vice-president, and C. A. Noneman, secretary. It is one of the leading agencies in the city.

Fred R. Freeman has purchased the agency of the late V. E. Creighton at Arkansas City, Kan., and opened offices at 118 South A street. George Selp, former Kansas field man, is assisting Mr. Freeman in launching the new agency.

Two New Vice-presidents Named by Broderick Office

Dimond Heads Marine Department, McCaffrey Casualty and Surety

DETROIT—F. R. Dimond has been elected vice-president of D. F. Broderick, Inc., in charge of the marine department and M. F. McCaffrey vice-president in charge of the casualty and surety department.

Mr. Dimond has been vice-president and general manager of the Detroit office of Johnson & Higgins, which organization he joined in 1921, coming to Detroit from Chicago to take charge of the marine department. He had been with Osborn & Lange in Chicago, having joined that firm in 1913.

Casualty Executive's Career

Mr. McCaffrey has been manager of the casualty and surety department of the Detroit office of Johnson & Higgins and more recently was treasurer. He came to the Detroit office in January, office, where he was in charge of the casualty and surety department. Previously he had been with the Globe Indemnity, which he joined in 1926.

The Broderick organization has become one of the largest agencies in the country and now has offices in all the leading cities. Increasing business has necessitated expansion in the home office in Detroit, which recently announced the election of R. J. Byrnes as senior vice-president. C. M. Verbiest continues as vice-president and general manager; other executives include G. A. Johnson, C. W. Dupont, Fred T. Leach, W. N. Price, D. P. Dinwoodie, L. G. Goodrich, C. A. Istock and J. W. Park.

George W. Miller, aged 78, president of the Farmers & Citizens Bank and secretary of the Ohio Mutual Windstorm, died at his home in Bucyrus, O., after a week's illness with heart trouble. He helped to found the bank 30 years ago and his death is the first among those who helped organize it. He served two terms as county treasurer and was widely known in mutual insurance circles.

New Edition of Iowa Reference Book Is Issued

The Iowa Underwriters Hand-Book, the annual state reference book and directory from the press of THE NATIONAL UNDERWRITER, comprises now about 600 pages. Iowa is a great home company state and full information is given regarding those companies as well as all licensed corporations. It gives complete information as to agencies, companies, field men, general agents, adjusters, attorneys, organizations. It records the agents in all cities and towns and their companies. Iowa is an important insurance state and the Iowa Hand-Book gives full information insurance-wise, making it an invaluable book of reference.

Company Entertainment at Agency Conventions Becomes Quite a Problem

George Brown, executive secretary of the Michigan Association of Insurance Agents, in his house organ, "Spotlights," has something to say regarding company entertainment at agency association meetings. He says:

"Entertainment by company men is a nuisance when it interferes with business sessions. It's a touchy subject but it has to be brought into the open so we can face the facts and work out some abatement. An insurance convention, roundup, rally or whatever you choose to call it, wouldn't amount to much if the company men were excluded, if it were possible to exclude them. The city and the hotel are as open to them as to us so point one is that they're with us and of us, friends and business associates. Liquor makes point two. Entertainment without a little drink doesn't draw visitors. The trouble with some of the visitors is that they abuse the hospitality of their hosts and that's where the nuisance comes in."

Comment by Irwin Mesher

Irwin Mesher, editor of the "Northwest Agency Bulletin" and executive secretary of the Washington Agents League, has started a seasonal campaign to curb the too generous hospitality. In his June edition he says: "The staging of a successful agents' convention is no small task. It requires months of planning and hard work, takes the time of many capable men and demands the services of speakers, many of whom come from distant points at considerable expense and loss of time. To have a convention hall occupied by only a fraction of those registered is not only a reflection on the hospitality and good manners of the local insurance fraternity but a keen disappointment to the speakers and the committee in charge of arrangements. Despite all that has been said in minimizing the practical value of agents' conventions, it must be remembered that basically they are conducted with serious purpose in mind, that of improving the business of the local agent, which, indirectly, benefits the companies. Company hospitality is appreciated by the committees and the agents. Their part in making a convention successful is unquestioned. All that is asked is that the entertaining be done when the convention is not in session, thereby enabling the 'bad boys' to get their schooling."

In summarizing the situation Mr. Brown concludes:

"Just how the company men are going to manage the situation is up to them. 'Spotlights' suggests they close the doors of their headquarters while the sessions are on. It's the 'open door' that attracts the weak brothers who don't know enough to take a drink or two and then 'let it alone.' If they'd take their souse with them to their own rooms or under a bed somewhere it wouldn't be so bad but they haul it around with them. They're the kind that breed prohibition."

THE WEEK IN INSURANCE

Sept. 8 is set as deadline for clearance in St. Louis "in-and-out" controversy. **Page 1**

J. A. Carlson is appointed coast manager of America Fore group. **Page 1**

R. E. O'Malley is reappointed Missouri insurance superintendent conditionally for one year. **Page 1**

Increasing building cost is curtailing residence construction recovery, nationwide survey indicates. **Page 2**

Much interest is taken in significance of the fact that London Lloyds has been admitted to Kentucky. **Page 3**

W. D. Williams, newly elected president of the Security of New Haven, will continue to be manager of the western department at Rockford. **Page 11**

Virgil W. Souders, assistant manager of the Pacific Coast department of the Fire Association, is transferred to the head office to assist the marine general agent in the expansion of marine and inland marine facilities. **Page 11**

F. R. Dimond and M. F. McCaffrey join D. F. Broderick, Inc., of Detroit as vice-presidents. **Page 2**

Insurance Advertising Conference will meet in Briarcliff, N. Y., Sept. 13-14. **Page 2**

Superintendent Pink of New York tells of progress made in drafting the insurance code of the state. **Page 9**

Hervey J. Drake, heretofore attorney, is appointed counsel of the Association of Casualty & Surety Executives. **Page 13**

Rate and rule changes for plate glass insurance are made effective by National Bureau of Casualty & Surety Underwriters. **Page 13**

Nonconference automobile companies hold meeting in Chicago to discuss compliance with the automobile anti-discrimination article of the Illinois code. **Page 13**

Plans for fidelity bond campaign in Ohio are announced. **Page 14**

Important changes in the official personnel of the Washington National of Chicago are announced. **Page 17**

R. P. Mecherle is elected president of State Farm Mutual Automobile, succeeding his father, G. J. Mecherle, who becomes chairman. **Page 11**

Mutual benefit operators in Illinois having difficulty in securing faithful performance bonds to meet new code requirement by Aug. 1 deadline. **Page 14**

Group accident and health rates are being reduced effective Aug. 1. **Page 15**

Program for the annual convention of the Oregon State Agents Association to be held at Medford, Aug. 5-6, is announced. **Page 22**

Pink Questionnaire Asks Confession of Commission Deals

N. Y. Superintendent Takes New Step, Indicating Continued Interest in Problem

Stock fire company executives have received from Superintendent Pink of New York a questionnaire intended to develop facts concerning commission payments in the state. Mr. Pink has taken an earnest interest in the excess commission problem. By threats to reduce rates unless excess commissions were eliminated, he forced reformation in the New York Fire Insurance Exchange. At the last session of the legislature he sponsored a bill giving the department specific authority to regulate commissions. He sponsored that measure because of the notorious excess commission situation in Rochester. The board and non-board companies had a conference, decided on a program to correct the Rochester situation and the bill was not pressed.

"Does your company observe the agency and commission standards established by the New York Fire Insurance Exchange?" the questionnaire asked. The same question is asked in respect of the New York Fire Insurance Exchange, suburban division of New York Fire Insurance Rating Organization, Eastern Underwriters Association, Syracuse division, and Buffalo Association of Fire Underwriters.

Following each such question there is this further question: "If the answer to the above is 'No,' state the nature of the standard the company follows both as to agencies and commissions, including an estimate of average production cost, a statement of the maximum commission paid, and the rate of contingent."

Minnesota Man Tells How Local Board Can Be Made Unsuccessful

AUSTIN, MINN.—How to make a local board anything but successful was outlined by M. G. Rolfson, president of the Insurers Association of Austin. His prescription is:

Attend as few meetings as possible and when you do, come an hour or so late.

If asked to serve on a committee, accept willingly but let the others do the work. It's easier.

Keep your mind blank and make no helpful suggestions.

If the other members start some progressive action, do all you can to discourage it. They might get you in trouble with your non-stock competitors, the insurance department or the companies.

Pay no attention to what is being discussed.

Delay the payment of your dues as long as possible. The treasurer should have something to do—let him spend some time collecting.

Do all the complaining you can. Nothing helps more to accomplish what the association is trying to do.

Mitchner on Dallas Program

Bert Mitchner of Hutchinson, Kan., former president of the Kansas Association of Insurance Agents, will give his address on "Consumers and Cooperatives," which he gave at the Business Development meetings in Hutchinson and Dodge City last spring, at the annual meeting of the National Association of Insurance Agents in Dallas Oct. 4-7.

Fire Company Six Month Reports

	STOCK FIRE				6 Mos.	
	Assets	Unearned Prem.	Capital	Surplus	Net Prem.	Net Losses
Amer. Eagle	\$15,417,531	\$3,143,488	\$1,000,000	\$10,216,014	\$1,563,557	\$ 701,466
Birmingham, Pa.	1,402,834	128,479	500,000	744,564	101,573	10,445
Buffalo	6,958,556	2,214,203	1,000,000	2,311,996	1,009,157	387,383
Continental	99,373,114	20,450,094	5,000,000	66,788,766	10,273,693	4,202,929
Fidelity-Phoenix	79,307,282	15,474,626	3,750,000	53,731,054	7,840,076	3,274,119
First American	4,995,522	926,560	1,000,000	2,837,882	479,092	197,218
General, Wash.	12,974,094	5,336,254	1,000,000	4,634,108	2,774,909	1,075,803
General Exchange	49,803,143	21,551,455	4,000,000	17,121,002	15,547,520	7,391,388
Maryland	3,412,962	373,024	1,000,000	1,944,638	196,696	64,046
Merchants, R. I.	3,298,891	1,162,234	1,000,000	1,021,227	605,367	273,815
National Union Fire	16,485,625	7,129,537	1,100,000	5,645,418	3,737,402	1,529,797
Niagara Fire, N. Y.	25,978,425	5,409,568	2,000,000	17,377,010	2,461,318	1,005,797
Rhode Island	3,967,266	1,743,352	1,000,000	1,933,269	908,051	410,723

MUTUAL

Hardware Deal, Mut.	6,964,434	3,322,962		2,949,708	2,387,288	730,823
Indiana Lumb. Mut.	3,402,493	1,254,311		1,684,421	1,056,495	357,894
Mill Own, Mut., Ia.	2,652,319	1,325,361		1,193,424	924,856	331,606

¹Voluntary contingency reserve, \$686,250.

Cut in Ohio Fire Marshal's Income Threatens Service

COLUMBUS, O.—Leading fire insurance men in Ohio are expressing indignation because the legislature radically reduced the appropriation for the state fire marshal. This reduction threatens to cripple the service just after D. L. Rockwell, of whom much is expected, was appointed fire marshal.

During 1936 the payments from the fire insurance companies for the maintenance of the fire marshal's office amounted to \$117,751. In addition, there was collected by that office from license fees for hotels, restaurants and dry cleaning establishments \$83,360. The total income from this office was \$201,111, and the expected income in 1937 is \$204,000. Yet, the legislature has appropriated for 1937 but \$70,331.

In 1930 this office was carrying 55 positions. In 1937, it is carrying but 45. For the first seven months of 1937 the salaries amounted to \$42,030. If the present force is maintained, \$30,906 will be required for the balance of this year. Since \$42,030 was expended for the seven months, the department has but \$17,969 available for the last five months.

Insurance people feel that a wrong is being done in diverting the income from the fire marshal's office. The tax, they insist, should be earmarked and used for the purpose for which it is intended.

Reece Ends Prison Term

J. I. Reece, former Tennessee commissioner, convicted of stealing \$100,000 of bonds entrusted to his department and sentenced to three to 10 years, has been paroled from prison after serving a little more than two years.

Reece contended he had been "double-crossed." He said he entered a "political agreement" in connection with the sale of \$90,000 of the bonds, and declared he was left "holding the bag."

Mr. Reece announced that he planned to open an insurance office and was through with politics.

Rochester Board Outing

The Underwriters Board of Rochester, N. Y. held an outing at Newport on Irondequoit Bay, near Rochester. About 200 members, office employees and guests attended.

Guests included L. A. Daw, Syracuse, manager New York Fire Rating Organization; Sheriff J. S. Malley, Chief of Police H. T. Copenhagen, L. E. Fermeille, Rochester manager fire rating organization, J. E. Daggett, manager Fire Companies Adjustment Bureau, and others. Heading the committee was F. H. Spiegel, general chairman.

National Union Dividend

PITTSBURGH.—The directors of the National Union have declared a dividend of \$1.50 per share and an extra dividend of \$1 per share, both payable Aug. 9 to stockholders of record July 27.

Want New Appraisal Clause Uniformly Used in Illinois

A good many executives are recommending that companies uniformly decide to use the appraisal clause of the new New York standard fire policy in Illinois. The Illinois insurance code requires that the new New York standard policy be used in the state commencing not later than 18 months from the effective date of the code, but the companies are given the option of using either the old or the new appraisal clause. The National Board will probably suggest a date for the companies generally to begin using the new New York standard in Illinois and will also suggest the form of appraisal clause which should be used. If the old appraisal clause is used, executives point out that the policy would have to be reprinted for use in Illinois whereas if the new clause were used the policy that is issued in many other states could be employed in Illinois as well.

Liscomb to Michigan Meeting

C. F. Liscomb, chairman of the executive committee of the National Association of Insurance Agents, will attend the meeting of the Michigan Association of Insurance Agents at Grand Rapids, Sept. 14-15.

On the Mend



A. D. YEATON

A. D. Yeaton, secretary at the head office of New Hampshire Fire, has been confined to his home for about six weeks with a rather serious illness. Although he seems to be on the road to recovery, he is not expected to be back in the office for at least another month. Until recently Mr. Yeaton was located in Chicago as general agent for New Hampshire Fire.

Mr. Yeaton contracted pneumonia due apparently to exposure to rain on the golf course.

Weigh Significance of Licensing of Lloyds in Kentucky

Will Begin Direct Writing There Oct. 1, Which Is Deadline in Illinois

Much speculation is being heard concerning the significance of the fact that London Lloyds has become licensed in Kentucky. The arrangements were made quietly and without general knowledge of what was taking place. Lloyds representatives expressed regret when the news was published in the Louisville papers, saying that it was "premature."

Lloyds brokers in this country have received communications from their people in London concerning the move. They have been notified that although the Kentucky license has been granted, Lloyds will accept no direct business from Kentucky until Oct. 1. In the meantime the only writings that will be accepted are surplus lines following a warranty company. Inasmuch as Lloyds is now regularly licensed in the state, its brokers must keep a record of Kentucky business for the information of the insurance department.

Significance of Oct. 1 Date

It may be more than a coincidence that Oct. 1 is the end of the 90 day grace period that Insurance Director Palmer gave the Lloyds underwriters in Illinois under the new insurance code of that state.

Heretofore Illinois has been the only state in which Lloyds has been licensed. Under the new code, Lloyds must greatly increase its deposit in Illinois if it is to write lines of the same size that it now has on its books in that state. Although the code became effective July 1, Mr. Palmer gave Lloyds 90 days to decide whether and how to comply. It may be that Lloyds decided to gain admittance to Kentucky so as to be able to use Louisville as a base of operations in the event they decide to withdraw from Illinois on Oct. 1. Illinois risks could be handled from Louisville rather than Montreal.

It is regarded as doubtful that Lloyds became licensed in Kentucky primarily for the sake of writing Kentucky risks. Lloyds can get all the whisky business it wants without being licensed and, as a matter of fact, is reported to be lightening its whisky commitments.

DEPOSIT REQUIREMENTS

LOUISVILLE.—London Lloyds plans to secure license for writing fire and allied lines, auto, bonds and casualty, accident and health, or five classes in all, it becomes known here. The state will require a deposit of \$100,000 under the first class, which will in this instance be fire, and \$50,000 deposit for any of the other proposed classes.

The department has been informed that Lloyds will write fire at tariff rates and it is further understood that Lloyds will become a subscriber to the Kentucky Actuarial Bureau service. It is understood by the Kentucky department that Lloyds is merely getting ready, but does not plan to start writing for some weeks, probably not before Oct. 1. So far no agents have been named, so far as can be learned, and no rates have been filed.

Considerable interest has been manifested on the part of both local agents and field men regarding the Lloyds program in Kentucky. While a number of insurance men have aired the opinion that Lloyds is principally interested in writing bonds, others believe that the

(CONTINUED ON PAGE 28)

NATIONAL SERVICE

NATIONAL

FIRE INSURANCE COMPANY

of

Hartford WESTERN DEPARTMENT Chicago

NEWS OF FIELD MEN

Malcolm Backed in Ontario

Aetna Fire Special Agent Being Groomed for Grand Keeper of Golden Goose Egg

Clifford J. Malcolm of Toronto, who is being groomed for the position of grand keeper of the golden goose egg of the Blue Goose at the forthcoming grand nest meeting in Vancouver, came out of Alberta. He was born in Rose-



C. J. MALCOLM

bank, Man., in 1896, but his family moved shortly afterwards to Red Deer, Alta. His father conducted an insurance agency there and his son entered that office. After serving in the war for four years he renewed his insurance work at Red Deer. In 1921 he joined the Aetna Fire covering Alberta as special agent with headquarters at Calgary. In 1929 he was transferred to Toronto as special agent, being associated with R. H. Leckey, who is Canadian manager.

Mr. Malcolm joined the Alberta Blue Goose in 1921 and in 1926 was its most loyal gander. He has been active in the order. He was a delegate to the grand nest at Milwaukee in 1926 and in 1933 was a delegate to Omaha. His personal popularity has been enhanced by his ability as an impersonator, actor and vocalist.

Name R. A. Nelson Atlas Iowa-Nebraska State Agent

Robert A. Nelson has been appointed by Atlas as Iowa and Nebraska state agent. He will make his headquarters in Des Moines. For the last several years he has been connected with the Western Factory as an inspector, with headquarters in Chicago. Previously he was with the Travelers organization in Chicago. He is a graduate of the University of Illinois. His father is Axel J. Nelson, chief examiner in the western department of Hanover Fire. With the Atlas he succeeds R. H. Sutton.

Colorado Pond Elects

DENVER.—The following Denver men have been elected as officers of the Colorado Blue Goose:

George B. Side, most loyal gander; A. J. Dunn, supervisor; H. C. Stebbins, custodian; Orville Moore, guardian; Chester Long, keeper, and H. J. Helmkamp, wielder. The new officers were installed by Deputy Grand Gander Howard Reynolds.

Mr. Side and Mr. Helmkamp were named delegates to the meeting of the grand nest. Alternates are Floyd Brown and Paul J. Deeds.

Martin Philadelphia Manager

Succeeds MacMinn with St. Paul F. & M.—Fred Myers Made Georgia State Agent for That Group

The St. Paul Fire & Marine group has appointed W. W. Martin Philadelphia manager, in charge of its business in Philadelphia, Philadelphia suburban and southern New Jersey.

He succeeds S. J. MacMinn, recently named assistant secretary of the St. Paul companies. Mr. Martin formerly was with the National of Hartford as special agent in eastern and central Pennsylvania for the past nine years.

Fred Myers is appointed state agent in Georgia, succeeding A. H. Underwood, recently retired. Mr. Myers, who will have headquarters in Atlanta, has been for many years with the America Fore group in Atlanta, and previously with Marsh & McLennan.

Home's Field Changes in South

Randolph Church, secretary of the Louisiana Credit Association since it was organized 21 years ago and before that for eight years with the Louisiana Rating & Fire Prevention Bureau, has joined the Home as special agent for southern Louisiana succeeding D. I. Terrell, resigned. Mr. Church is the son of Alonzo Church, vice-president of Inter-Ocean Reinsurance in charge of its eastern facultative department in New York City.

R. J. Johnson has joined the Home as special agent in Mississippi with headquarters at Jackson. He has been connected with the M. B. Smith & Co. agency of Leland, Miss.

W. L. Gravely, heretofore an inspector for the Home in Texas, has been appointed a special agent in that state.

Sweeney With the Gulf

H. F. Sweeney, Indiana special agent of the Northwestern National, has resigned to become manager of the central department of the Gulf of Dallas at Indianapolis. It is stated that underwriting and claim service will be furnished from this office.

Moore N. B. & M. Inspector

Walter F. Moore, for the last 12 years at the North British & Mercantile head office in New York City, has been promoted from chief examiner to inspector for the entire North British group in the western department territory. He will make his headquarters at 301 West 11th street, Kansas City, Mo.

Ohio Farmers Field Roundup

LE ROY, O.—Field men of Ohio Farmers are gathered here this week for their quarterly meeting at the head office.

B. F. Gibb Now in New York

B. F. Gibb has been transferred by Pacific National Fire from Ohio to New York state as special agent. In Ohio he is succeeded by John N. Elliott, formerly at the head office of the Royal.

Alabama Blue Goose Outing

The annual barbecue and swim of the Alabama Blue Goose was held at Tapa-wingo Plunge near Birmingham with about 100 attending. Arrangements were made by E. G. McGarity and E. F. Mathewes.

Reduces Stock Par Value

The Pacific Automobile has reduced par value of its capital stock from \$100 to \$10 per share. Each old shareholder may exchange one share for 10 of the new issue.

Hilton Stark, for some time with the Jules Bacher Agency, Milwaukee, has been appointed manager of the enlarged insurance department of A. P. Stark, Inc.



Through Your GENERAL AGENT

***—"Exceptional"—a fitting adjective to employ in describing the service that the General Agent can render. He is an insurance specialist in his territory, covers every step of it thoroughly and is familiar with local conditions. He is NOT your competitor, but instead, is always ready to help YOU as a Local Agent.

ARKANSAS

Coates & Raines, Inc.
Little Rock

Trezevant & Cochran
General Agents Since 1876
Little Rock

KANSAS

Kansas Underwriters
Wichita

KENTUCKY

Bradshaw & Weil Gen.
Agcy. Co.
Incorporated
Louisville

LOUISIANA

Trezevant & Cochran
General Agents Since 1876
New Orleans

OKLAHOMA

R. W. Drake & Company
Complete Insurance Facilities
Oklahoma City

Trezevant & Cochran
General Agents Since 1876
Oklahoma City

TENNESSEE

J. Virgil Richards Gen. Agency
Formerly
Hall & Benedict General Agency
Established 1914
Nashville Trust Bldg.
Nashville, Tenn.

TEXAS

Trezevant & Cochran
General Agents Since 1876
Dallas

• Know the General Agent in your locality. Write the office nearest you or the American Association of Insurance General Agents, Gas & Electric Bldg., Denver, Colorado.

Security for American Property Owners Since 1841



The National and State Forest preserves, containing millions of acres, are under the constant supervision of trained forest rangers whose duties are to safeguard this vast area against Fire and other forest hazards and to give a feeling of

Security

to those in and adjoining these preserves.

In every walk of life there are pitfalls and people are seeking SECURITY from loss arising from the many hazards to which their property may be subject.

The SECURITY INSURANCE COMPANY of NEW HAVEN has been furnishing that SECURITY for 97 years, broadening its protection as the needs of the times require.

It is a good agency Company. We have some openings. There may be one in your community. Write us about it.

Do Business with a Strong American Stock Company operating Through Responsible Agents.

HOME OFFICE
NEW HAVEN, CONNECTICUT



WESTERN DEPT.
ROCKFORD, ILLINOIS



PACIFIC DEPT.
SAN FRANCISCO, CALIF.





We are not
musical critics

but:—

it appears to us that
harmony is one of the
most essential terms
in the insurance busi-
ness. It is needed by
both company and
agent in all of their
relations, and a
friendly attitude can-
not help but produce
it.

"Your Friendly Company"

**SECURITY
FIRE INSURANCE CO.**

DAVENPORT, IOWA

PROTECTION SINCE 1883

AS SEEN FROM CHICAGO

J. C. LANPHIER, JR., REELECTED

Due to a last minute change in the slate of the Illinois Insurance Federation at the annual meeting in Aurora, a news article stated that Vice-president J. C. Lanphier, Jr., of Springfield was not re-elected. He was in fact reelected, this amounting to creating an additional vice-president, since the other vacancies were filled.

* * *

WILL TALK ON THE CODE

The Cook County Field Club will open the fall season Oct. 11, when it expects to have Assistant Director of Insurance Roy L. Davis of Illinois speak on the "New Illinois Insurance Code."

* * *

HENNE TO VISIT EUROPE

Ernest A. Henne, vice-president and western manager of the America Fore, and Mrs. Henne are sailing Aug. 7 on the Georgic for a month's vacation trip to Europe. Among other places, they intend to visit the town of Turbigen in Germany, in which Mr. Henne was born.

* * *

LITTLE INSURANCE INVOLVED

Although the estimates of loss printed in the newspapers as the result of fire that destroyed the building of the Hamler Boiler & Tank Co., 6025 West 66th street, Chicago, were \$500,000, there was only \$64,000 of insurance, divided about equally between New York Underwriters and Scottish Union. The insurance was on the building, which is said to have been valued at about \$125,000. Until two or three years ago the concern carried insurance on contents, but there was no coverage at the time of the fire. The line was handled by the Munger, Vokoun, Wetmore & Witherbee of Chicago.

* * *

BOARD AND PATROL MEET

Three new directors were elected at the quarterly meeting of the Chicago Board—George W. Kralovec, J. K. Walker of Moore, Case, Lyman & Hubbard, and J. R. Cashel, Providence Washington. C. M. Hayden, president, the vice-president of the Glens Falls, presided, also being in the chair at the annual meeting of the Fire Insurance Patrol. J. M. Newburger, chairman, reported, praising work of Chief F. C. McAuliffe, Captain Curt E. Jansen and others. Morale of the force is high and apparatus given good care. Mr. Newburger reported purchase of 300 covers, and also of property at 50th and Union streets where a new patrol house will be built when finances permit. He said stations 3 and 4 will then be consolidated in the new station. E. R. Hurd is vice-chairman of the committee, and other members are J. J. Brummel, H. A. Clark, R. M. Cunningham, E. M. Schoen and C. W. Weisz.

* * *

RATE REGULATION IN CHICAGO

With the fire insurance rate regulation article in the new Illinois insurance code and the outside companies purchasing rates from the Chicago Board much speculation is being heard as to how the present practice of quoting so-called relief or competitive rates will be affected. In the past two or three years especially such rates have been freely quoted to enable members to protect lines.

It is assumed that the superior treatment department of the Chicago Board will not be affected, since the code specifically gives rating organizations permission to use special schedules for rating "special risks" if a special inspection service is maintained. The question is as to the legitimacy of giving relief rates for risks other than those placed under superior treatment.

Some believe that a means will be found of meeting competitive situations. With outsiders subscribing to the rate service, it would seem that they would have to be notified when special rates

are granted. If there is a movement to change a rate along preferential lines then all naturally must be informed.

Representatives of the Chicago Board, of the Federation of Mutual Fire Insurance Companies and insurance department have had some conferences concerning details in anticipation of the 40 or so Federation companies subscribing to the Chicago Board rating service.

* * *

EFFECT OF STRIKES SEEN

Insurance men realize that in cities where there have been strikes of consequence and hundreds of men have been laid off and are not earning anything, business has been greatly affected. Insurance companies feel the impact of the

blow. In the first place, workmen's compensation is affected by reduced payrolls. Men have no money with which to make purchases and business stagnates. Local agents in strike cities declare that there is a paralyzing effect.

* * *

REDMOND RETURNS FROM ABROAD

R. M. Redmond, Chicago, president of the Illinois Insurance Brokers Association, has returned from Paris where he attended the meeting of the International Brokers Congress as the delegate of the National Association of Insurance Brokers. He landed in New York Monday. Mr. Redmond was active in the convention work.

* * *

Attending the international convention of the **Lions clubs** in Chicago were many insurance agents. Chicago offices of insurance companies received visits from many of these Lions agents.

NEWS OF THE COMPANIES

America Fore at Mid-Year

Premium Reserves Show Increase — Assets and Surplus Reflect the Downward Market Trend

The mid-year figures and half-year experience of the companies in the America Fore group have been transmitted to stockholders.

Assets of Continental amounted to \$99,873,114 on a convention basis; \$101,120,729 on a market basis; premium reserve \$20,450,093; capital \$5,000,000, and net surplus \$66,788,766.

Premiums for the six months amounted to \$10,320,896, total income \$12,161,921; losses \$3,981,620, expenses \$4,801,712, increase in premium reserve \$1,174,073, cash dividends \$1,599,089, decrease by adjustment in value of stocks and bonds

\$7,283,466, total disbursements \$18,844,986. Decrease in net surplus amounted to \$6,683,064.

Assets of Fidelity-Phenix were \$79,307,281 on the convention basis and \$80,121,847 on a market basis. Premium reserve was \$15,474,626, capital \$3,750,000, net surplus \$53,731,054. Premiums were \$7,868,823 and total income \$9,201,658. Losses were \$3,205,224, expenses \$3,638,529, increase in premium reserve \$682,532, cash dividends \$1,199,341, decrease by adjustment in value of stocks and bonds \$6,098,297, total disbursements \$14,846,307. Decrease in surplus was \$5,644,648.

Niagara Fire Figures

Assets of Niagara Fire were \$25,978,425, premium reserve \$5,409,567, capital \$2,000,000 and net surplus \$17,377,009. Assets of American Eagle were \$15,417,530, premium reserve \$3,143,487, cap-

The TOKIO

MARINE AND FIRE INSURANCE COMPANY, Limited

Established 1879

United States Fire Branch: 80 John Street, New York

J. A. KELSEY, General Agent GEORGE Z. DAY, Ass't Gen. Agent

U. S. Statement December 31, 1936

PREMIUM RESERVE	\$ 2,062,920.87
OTHER LIABILITIES	718,094.12
SURPLUS TO POLICYHOLDERS.....	11,097,829.98
TOTAL ASSETS	13,878,844.97

Bonds & Stocks valued on New York Insurance Department Basis. Securities carried at \$623,635.21 in the above statement are deposited in various States as required by law.

Chicago Branch: 175 West Jackson Blvd.

Alfred J. Couch
Manager Brokerage and Cook County Depts.

ital \$1,000,000 and net surplus \$10,216,014.

Assets of First American were \$4,995,522, premium reserve \$926,560, capital \$1,000,000 and net surplus \$2,837,882.

Assets of Maryland were \$3,412,961, premium reserve \$373,024, capital \$1,000,000 and net surplus \$1,944,637.

Firemen's Group Shows a Fine Five Months Increase

The Firemen's group, both fire and casualty, shows an increase in premiums for the first five months. The fire and marine premiums ran up to \$8,678,463, gain \$724,625 or 9.1 percent over the similar period last year. Casualty and surety premiums ran up to \$5,757,737, increase \$636,421 or 12.4 percent. The combined increase is \$1,361,046 or 10.4 percent. The companies report the results for the first five months with respect to losses, both fire and casualty, as favorable.

Millers National Figures

The Millers National of Chicago reports a 25 percent increase in net premiums written for the first six months as compared to the same period last year. A 3.5 percent increase in assets, and a 4.25 percent increase in surplus were reported over last year's six months figures. Assets as of June 30 were \$6,436,894 and surplus was \$2,706,895 exclusive of \$800,000 maintained as a contingency reserve. Loss ratio on the basis of premiums earned compared to losses incurred was 34.62 percent.

Pacific National to Expand

William L. Wallace, vice-president of the Pacific National Fire, who recently returned to San Francisco from a visit to the middle west and eastern insurance centers, will leave the home office about Aug. 5 for another visit to Chicago and surrounding territory. It is understood that Mr. Wallace will complete details of a plan to expand the company's scope of activities on a nation-wide basis.

N. J. Manufacturers Extra

The New Jersey Manufacturers Association Fire declared the regular dividend of 20 percent and an extra of 5 percent on net premiums written between Oct. 1 and Dec. 31, 1936.

Companies Enter New States

The Merchants & Manufacturers Fire of the Corroon & Reynolds fleet has been licensed in Oregon.

The New Jersey has been licensed in Tennessee and will establish agencies throughout the state.

Carlson in Charge for America Fore on Pacific Coast

(CONTINUED FROM PAGE 1)

the Pacific northwest, intermountain and western Canada territories.

Mr. Carlson became assistant manager for the Niagara in those territories in 1909. The America Fore fleet acquired control of the Niagara in 1929 and in October of that year he was appointed assistant secretary of the Pacific coast department of the America Fore fire companies. With the recall of Mr. Parrish from retirement in 1934, Mr. Carlson was advanced from assistant secretary to secretary.

Definition in Mississippi

Commissioner Williams of Mississippi has amended the nation-wide marine definition so that personal property floater coverage under furriers policies is not confined to the time during which the property is in the custody of the furrier or fur store.

W. B. Shumway of Cuyahoga Falls, O., has sold his agency to John C. Sechrist and Elmer E. Eller. It will be known as the Sechrist-Eller agency.

Stock Companies Pile Up Most of California Gains

SAN FRANCISCO.—Net premiums received by fire and marine carriers in California during 1936 show a gain of \$4,239,178 compared with the previous year. The 1936 total was \$55,020,220, according to advance report of the insurance division. Practically the entire gain was made by United States stock companies, foreign companies, reciprocals and inter-insurers showing decreases. Slight gains were made by mutuals and California county mutuals.

Net losses paid were \$20,710,350 for 1936 against \$17,680,334 in 1935. Net premiums received by casualty and miscellaneous insurers were \$79,168,068 for 1936 against \$68,823,015 in 1935, with losses paid \$31,105,980 in 1936 against \$28,904,226 in 1935.

All types of carriers in this class showed increased premiums with stock companies leading.

Effect of Rating Method

Based on a release from the Missouri department newspapers of that state carried articles about further reductions in fire insurance rates. These articles emphasize that the new reductions are in

addition to those that came about when the rate litigation was compromised in November, 1935. The "new" reductions are on fireproof construction due to application of supplement 14 to the 1921 analytic system together with increased coinsurance credits. According to the department these factors accomplish rate reductions amounting to from 20 to 30 percent. In Missouri, the inspection bureau has just about completed rerating fireproof construction with the application of supplement 14. In other states in the west, the rerating had been accomplished some time ago. When the 1921 analytic system was introduced in Missouri in 1935, it was adopted exclusive of supplement 14, because that supplement was on the point of being introduced generally.

Michigan License Bill Signed

LANSING, MICH.—Governor Frank Murphy has signed the agents' qualification act. It provides mandatory written examinations for all new applicants for fire and casualty licenses, to be conducted by the insurance commissioner at points "reasonably accessible" to the applicants.

While its provisions are not mandatory as regards renewal applicants or persons seeking life or health and accident licenses, the law may be applied

to such applicants at the commissioner's discretion. It is effective Oct. 29.

Two Join Klappert Agency

CINCINNATI.—H. J. Wilde, formerly associated with the Earls-Blain agency, Cincinnati, is now office manager for the William Klappert agency here. Frank Tilledge, formerly with the Laws agency, is associated with the Klappert agency as solicitor.

Attractive Policy Files

THE NATIONAL UNDERWRITER sells two very attractive policy files. Expansive No. 97 provides a record for companies, expirations, etc., on the inside flap and on the outside there is a prominent space for the agency advertising card. It expands to two inch capacity. The prices are \$1.90 for 12, \$7.95 for 50 and \$14.50 for 100. The "Leatherette" No. 98 is 9½ inches long, 4½ inches wide, having a capacity of from six to eight policies. For 12, the price is 40 cents, for 50, \$1.65, for 100, \$3. No. 99 is 10½ inches long, and 4½ inches wide, selling at 50 cents for 12, \$2 for 50, \$3.75 for 100. The imprinting costs \$1.50 for 100 or less and \$1.75 for 100 to 200. These policy files are excellent advertising mediums to hand to good customers.

The Palmer Insurance Agency, Bellevue, O., has changed its name to the Palmer-McClain Insurance Agency.

IF I WERE AN AGENT...

I would remember...

That my success depends upon new business;

That every Agent loses some business each year, which must be replaced if one is to succeed.

That selling—like everything else—is most successful when done according to a well-defined plan.

That plans already perfected by other Agents are bound to be more effective than untried ones.

That to see and choose from a portfolio containing 172 pages of pre-tested sales plans—

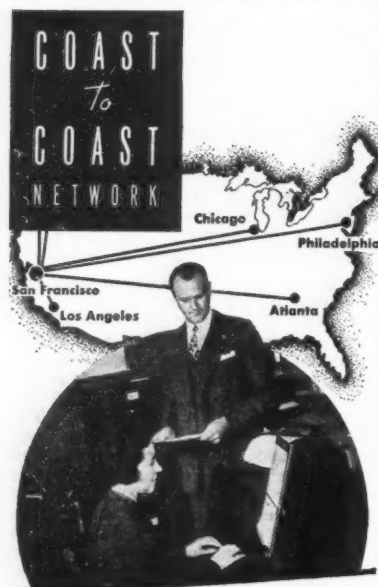
That had been selected during a six year research among successful Agents country-wide—

That would be a real privilege.

It is available to Agents and prospective Agents of

THE AMERICAN GROUP, NEWARK, N. J.

	Fire Companies	
THE AMERICAN	THE COLUMBIA FIRE	DIXIE FIRE



BRINGS HOME OFFICE TO YOU

Pacific National Agents profit by intimate contact with Home Office. Through private

***TELETYPE**
system Pacific National branches give complete, "on-the-spot" service.

Unusual cases, special rates—all matters requiring Home Office attention are handled with maximum speed, less than 2 minutes being required for connection.

This is only one of many agency services provided by this sound, progressive, rapidly-growing Company—to assist its agents in writing more business at greater profit to them.

Inquiries from established agents are invited.

*Messages written on the teletype-writer are instantly and exactly reproduced on the machine connected to it through the telephone exchange.

PACIFIC NATIONAL FIRE INSURANCE COMPANY

HOME OFFICE • SAN FRANCISCO

Eastern Department
INDEPENDENCE BUILDING
PHILADELPHIA

W. A. WATERS, Assistant-Secretary
Other Offices

ATLANTA
CHICAGO
PORTLAND

• LOS ANGELES
• SEATTLE

Unprotected Property Big Problem for Fire Departments

Much as the fire companies accept policies on unprotected property as a matter of accommodation, city officials feel obligated by humanitarian standards to do what they can for their neighbors without fire departments. Most municipalities will furnish firemen and apparatus to fight fires in property outside their corporate limits, although like the insurance companies they are sometimes involved in unpleasant situations when dealing with unprotected areas. A city supplying this fire protection may run into trouble on the following counts—possible incurred liability, weakening of its own fire defenses, and increased expenses.

Question of Liability Arises

For example, this question arose in one city: "If a fire breaks out in our city while some of the apparatus is out fighting a fire in the township, can a taxpayer recover damages on the ground that the loss would have been less if the absent apparatus had worked at his fire?" Although it might seem unfair to the taxpayer, according to legal opinion no liability would be incurred by the city under these circumstances. Furnishing fire protection to its taxpayers is one of a city's "governmental functions".

Most state laws specify that a community cannot be sued for damages resulting from performance or non-performance of a governmental function, even though the city or its agents may have been negligent. In some states, however, amendments have been passed specifying certain conditions under which this exemption from liability does not hold. In order to avoid liability on outside runs, therefore, assisting cities often include a clause in the contract for protection which stipulates that the fire apparatus responding to calls for aid shall have the legal status of the fire department of the other party to the contract.

Another commonly included clause states that "no liability of any kind shall attach in any manner to the assisting city by reason of the contract or by reason of any operation or failure to operate thereunder." This may protect the city in its relations with the other contracting party, but cannot be used to escape liability to a third party. If in responding to an outside call the city fire apparatus were involved in a crash and its operation could be proved negligent, one or both of the contracting parties might be held liable. While some state laws stipulate that no damages can be recovered by reason of negligent operation of fire apparatus under any circumstances, other states have ruled that this does not apply to apparatus returning from the fire to quarters.

Want Community Protected

City attorneys who draw up the fire protection contracts are careful to do everything they can to protect the community from incurring liability. The existence of a regular contract in every arrangement for fire protection is necessary to define clearly in advance the obligations of both parties, so that help can be sent quickly in emergencies. A fire chief who sends fire apparatus out of the city without the authority of a contract or orders from a superior is assuming powers that he does not legally possess.

Most contracts specifically state that the apparatus will be sent only if in the judgment of the fire chief it can be spared. This loophole is inserted in case the city should be fighting a bad fire when the township needs help. Naturally in such a situation the apparatus cannot be spared, and to send it would weaken the city taxpayers' protection.

Unwise response to outside calls for aid is growing quite common in small

towns having only one piece of apparatus. Usually this is manned by volunteers who are always eager to fight fire no matter where it breaks out. This is perhaps only natural; most volunteer firemen enter the department for the thrill of fire fighting, but do not see much action in small towns. In their anxiety to fight fire many volunteer departments have left their communities entirely unprotected while they dashed out to save a farmer's barn. This enthusiasm can be subdued greatly if underwriters will threaten to change the town's rating if apparatus is not kept within the corporate limits at all times.

In addition to the questions of liability incurred and the effect on its own fire protection, the city must consider the expense of supplying protection. It is not fair to its own taxpayers to supply outsiders with service without charging for it. Wear and tear on apparatus and equipment must be considered. Charges are most commonly put on an hourly basis—\$75 for the first hour and \$25 for each additional hour for each piece of apparatus is one popular arrangement. Other departments make a flat charge, ranging from \$50 to \$300. Usually the charge will be very reasonable.

Collection of Charges

Officials in many cities have learned that collection of charges is no easy matter, and for that reason stipulate that the other party pay a certain amount in advance or each month. Charges are taken from the payments when runs are made, and unused balances returned at expiration of the contract, which usually runs one year. The failure of contracting parties to pay charges has forced municipalities to withdraw protection in a few cases, although most cities are very lenient.

When property owners have the fire protection service clause included in their fire policies, collections are assured and little difficulty is met in getting help. For this reason, wide awake agents urge their clients in unprotected areas to purchase the added protection, which costs but little.

At best, any method of protecting property lying outside corporate limits is faulty. The property owner cannot be absolutely certain of the department's response. Insurance companies, because of the high values common in suburban estates and the time required to make long runs with heavy city apparatus, can expect heavy losses.

May Involve Heavy Expense

The city supplying the service exposes itself to heavy expense—one piece of apparatus wrecked would cost far more than could ever be repaid by the almost nominal charges for the service. Obviously, also, a fire engine out in the county fighting a fire is of no assistance at a fire that breaks out in the city during its absence.

A far more satisfactory solution to the whole problem would be establishment of fire districts for areas lying outside municipal limits. Such districts could be organized along lines similar to the school and water districts in rural areas. Fire equipment and apparatus could be purchased and maintenance

Bryan Rayhorn has resigned as insurance manager for J. D. Carneal & Sons, Richmond, Va., to go with the Richmond agency of McCue & Alsop.

WANTED

Cook county special agent by prominent Chicago local agency. Reply, stating previous experience and qualifications. General knowledge of casualty lines desirable. ADDRESS G-12, NATIONAL UNDERWRITER.

costs paid with money obtained by assessments on those who would benefit from the protection. Manpower could be arranged on a volunteer or part-paid basis. With the fast, light, and comparatively small fire apparatus recently developed for rural and suburban service, the initial cost of installing apparatus would not be prohibitive. Upkeep, without the heavy salary expense borne

DIRECTORY OF LEADING LOCAL AGENTS

ILLINOIS

CRITCHELL, MILLER, WHITNEY & BARBOUR

Established 1868

Insurance Exchange Building
CHICAGO

Eliel and Loeb Company

Insurance Exchange

Chicago

FRED. S. JAMES & CO.

Established 1872

Insurance Exchange Building
Chicago

LOUISIANA

LEON IRWIN & CO., Inc.

Unexcelled Insurance Facilities
NEW ORLEANS, LA.

MICHIGAN

Detroit Insurance Agency

G. W. Carter, Pres.

H. L. Newman, Vice-Pres.

Louis J. Lepper, Sec.-Treas.

Fisher Bldg.

Detroit, Mich.

MISSOURI

Lawton-Byrne-Bruner

INSURANCE

Saint Louis

NEW YORK

CENTRAL FIRE AGENCY, INC. (Underwriting Agency)

Risks accepted throughout the United States, Canada, Cuba and Porto Rico
92 William Street, New York City

OHIO

Walter P. Dolle & Co.

"Insures Anything Insurable"
Dixie Terminal Bldg.
CINCINNATI

Submit Your Propositions to Us

WISCONSIN

Chris Schroeder & Son Co.

86 Michigan St. MILWAUKEE

Engineering Service—All Lines

The largest insurance agency in the State of Wisconsin

by city departments, would be reasonable. Such a system would have many advantages over the present one of depending on city departments.

J. C. O'CONNOR'S COMMENT

J. C. O'Connor, editor of the Fire, Casualty & Surety Bulletins of THE NATIONAL UNDERWRITER, comments as follows:

"The question has also been raised whether a householder might have a right of action against the city should the fire occur in his property while the fire department, or a portion of it, is outside the city limits and as a consequence be unable to respond promptly to his call. Most lawyers agree that the chance of the city being held liable is extremely small and is entirely non-existent in most states, since fire protection is a governmental function and the city ordinarily cannot be held liable for exercise of such a function.

Division of Municipal Functions

"Municipal functions are commonly divided into two classes, governmental and proprietary. In the first class are such purely municipal functions as maintenance of police and fire departments, prisons, courts, inspections, etc. In the second class are functions which are not strictly governmental, but which are frequently exercised by a city, such as operation of municipal power plants, water works systems and the like. Cities are ordinarily not liable for the exercise of governmental functions, but may be held liable for the exercise of proprietary functions, just as though a private corporation were doing the business. There are many borderline activities which are the subject of court decisions, but fire protection is unquestionably in the governmental class.

"While the fire chief or other officers can be held liable personally for neglect of duty, there seems to be no reason why the chief could be held liable for sending fire apparatus outside of the city when the council or other governing body has specifically authorized this action."

Pink Discusses Code

Under the proposed New York insurance code, applicants for fire agents' licenses would be spared the necessity of boning up on the intricacies of casualty insurance and casualty applicants will be similarly exempted from being examined on information outside their field. Superintendent Pink of the New York department revealed at the Suffolk county local agents association's mid-summer get-together dinner.

Mr. Pink also said the new code would call for renewal of agents' licenses every two years instead of every year, as at present. Beyond these revelations he did not go but said about half the code draft is now in proof and should be ready for distribution to those interested about Sept. 1. He asked for co-operation in the way of suggestions and criticism so that a final draft could be made on the basis of these and submitted to the ensuing legislative session.

R. P. Barbour, U. S. manager Northern of England, spoke on the "Public Service Aspects of the National Board." He is chairman of its executive committee. J. R. Rooney, manager Indemnity of North America, New York City, R. E. O'Donohue, Central Islip, president Suffolk association, was toastmaster. J. J. Roe, Jr., Patchogue, president New York state association, introduced Superintendent Pink.

Cotton and Brooks Are Partners

Hugh H. Cotton and Randolph Brooks have become partners in the J. F. Lewis & Co., general agency of Atlanta. Mr. Cotton heretofore has been in charge of Florida operations of J. F. Lewis & Co. with headquarters in Orlando. Mr. Brooks has been state agent for the Firemen's with headquarters in Atlanta.

Fisher & Simmons is a new Columbia, S. C. agency, with offices at 52 Arcade building.

REJECTED RISKS

Insurance Plus

ROME.—A gas mask with every insurance policy was the inducement offered by the government-controlled National Insurance Institute, the largest of its kind in the nation.

Through newspaper advertisements the institute informed prospective clients that they would get a gas mask valued at 76.70 lira (about \$4) as soon as the policy was signed. This sum will be deducted when the policy expires.

Assistant Manager Charles L. Gibbons of the Maryland Casualty in Chicago is responsible for a story to the effect that an agent in the course of his examination for license was asked, "What is a binder?" The reply was, "Some sort of farm machinery but I don't need to know what particular kind it is. I am only going to solicit in the city."

We hear a lot about tailor-made contracts, but how many insurance men know that there is a standard form, with manual rates, for which there are exactly 12 available prospects? Form 6 of the bankers blanket bond is drawn up by the Surety Association, rated by the Towner Bureau, and may be written only for Federal Reserve banks—of which there are 12. If it were possible for a broker to control all 12 risks (which is impossible under the present setup) he would have a very respectable premium volume on this one form with a very select clientele—and no collection problems.

LATE CASUALTY NEWS

Fight Reciprocal Assessment

SAN FRANCISCO.—Notice of motion for a new trial has been filed by the defunct California Highway Indemnity Exchange following the recent court decision which cleared the way for the levying of assessments as soon as they could be computed against former subscribers to the exchange.

Assessment against one of the larger bus companies which was covered by the exchange prior to its demise is understood to have run well over \$200,000 and it is believed it is taking a leading part in the appeal from the decision.

Lebby Offers Convention Trip

W. E. Lebby, Los Angeles, state manager Massachusetts Indemnity, who gets a large volume of non-cancellable accident and health business from life men in that city, has been offering a bonus on all business written prior to Aug. 15, to be used to finance a trip to the meeting of the National Association of Life Underwriters in Denver.

Pioneer in industrial medicine and surgery, Dr. LeRoy P. Kuhn, 57, chief surgeon of the Lumbermen's Mutual Casualty and American Motorists of Chicago, died of heart failure at his summer home in Three Rivers, Mich. He was born at Wellsville, Mo., in August, 1879, and attended college at Baker University, Baldwin, Kan. He received his M. D. degree from the University of Illinois College of Physicians & Surgeons in 1905.

In February, 1911, he left a country practice at Fairbury, Ill., to set up the first medical and surgical office in Chicago's central manufacturing district. A year and nine months later, he was appointed chief surgeon of the Lumbermen's Mutual when the company was organized.

From the time he entered industrial surgery, Dr. Kuhn figured prominently in the development of accident prevention and medical facilities for industry, something which was almost unknown in 1912.

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REINSURANCE OF FIRE AND ALLIED LINES

EDITORIAL COMMENT

The View from the Other Side

THE death of SIR ARTHUR WORLEY, deputy chairman and until last January managing director of the NORTH BRITISH & MERCANTILE, calls attention to the fact that there are and have been eminent men at the head of English companies who have contributed much to underwriting thought, knowledge and experience. One of the interesting features of English home offices is the annual report of the general manager or guiding hand of a company. We do not have these yearly observations and this very illuminating comment from presidents on this side.

In our opinion, agents, the fraternity at large and policyholders might derive considerable satisfaction and be enlightened if such a course were pursued. Some of these annual reports coming from the other side give not only a world-wide view of insurance but the observations made as to underwriting in the United

States are of special interest because it enables underwriters over here to compare their own views with those of an observer on the other side who is not directly in the insurance current as found in the United States.

The English general manager has the advantage of possessing a more comprehensive view than most men at the head of underwriting institutions because he is a composite, so to speak. His company writes all sorts of insurance, fire, automobile, marine, casualty and life. Great Britain is the cradle of insurance. From it have sprung great companies, magnificent underwriting plans, fine supervisory experience, a penetrating sense of inquiry and a quality of absorption that are unusual. Some of the most eminent underwriters that have graced the business of insurance have been connected with British companies.

Another Central Western Contribution

THE great central western prairies have contributed many men that have left a deep impress on underwriting. Go into almost any eastern head office and one will find there one or more men who have been schooled in the west who are occupying positions of high honor. There is something in the training and experience in the west that particularly fits one for commanding chairs. Now another man is called to the highest position in his company who is entirely western bred and schooled. WALTER D. WILLIAMS becomes president of the SECURITY of Connecticut, a compact, clean, splendid institution.

MR. WILLIAMS is one of the ablest men of the central west. He not only made

a mark in the field and later as a departmental manager but he has figured in executive work that has demonstrated his fitness for a position of greatest responsibility. He has not confined himself entirely to the activities of his own business organization. He was one of the leaders in the old WESTERN INSURANCE BUREAU and served it as president. He was one of its organizers and later when there was an exodus out of that association to the WESTERN UNDERWRITERS ASSOCIATION MR. WILLIAMS at once became an important cog in its machinery. He served as its president with distinction and honor. The west is proud of him and he will reflect credit on the land of his nativity.

Judging the Business Development Work

THE LACLEDE AGENCY of St. Louis, in its always interesting and occasionally provocative house organ, recently condemned the Business Development Office activities. One of the principal criticisms is that at the Business Development meetings field men read stereotyped, cut and dried papers.

Doubtless some of these field men, as silver tongued orators, widely miss the mark, but the work has caused many field men to develop. They have gained confidence on their feet, have gained in organization and leadership qualities by planning and managing meetings.

Perhaps in another year or so the LACLEDE agency will have cause to complain that field men employ the oratorical technique of the quavering voice, the rounded syllables, the upraised arm of

the orator in their casual daily conversation.

From all reports, the Business Development program has been a standard to which agents and field men have enthusiastically rallied. It has been stimulating, has improved morale and has induced sales effort. In practically every business, the methods that are used to stimulate salesmen, appear ridiculous at times but if they do actually motivate, that is the test. We should say that if the Business Development program gets an enthusiastic response from most of the field men and agents, it is worth while.

Those in charge of the program recognize that the reading of a standardized, prepared paper may be dull if the reader lacks spark. However, if the

meeting is not well-organized, there is the danger that the discussion will drift into by-paths, that those that like to

hear themselves talk will monopolize and unduly prolong the meetings and that the sessions may become pointless.

Regulating All Insurance Activities

MORE and more the courts are holding that insurance concerns of all kinds should be under the jurisdiction of the state insurance department. Very often groups band together in the same trade for some protection plan or members of a society will start some sort of a benefit fund. Such projects are always unscientific and eventually get into trouble. Recently the New York department called to account the MANHATTAN & BRONX RETAIL GROCERS ASSOCIATION which provided plate glass insurance to its members. A certificate evidencing membership in the fund was issued to members. It finally got to the court of appeals which held that "a contract of insurance cannot be changed

into something else by giving it another name."

The public deserves full protection on any form of insurance. Where insurance comes into the picture in any way it should be supervised by the state insurance department. Just at present mutual benefit assessment concerns are roaming over the country and in most states there is no law pertaining to them, bringing them under the jurisdiction of the state department. These outfits are appealing to the people on account of the cheapness of their indemnity. Hundreds of thousands of unsuspecting folks have taken policies and later when claims were incurred little or nothing could be secured.

PERSONAL SIDE OF BUSINESS

W. G. Chesnut, Kansas City, manager Western Adjustment, is in Minnesota recuperating from a recent operation. Mrs. Chesnut accompanied him.

R. A. Jenkins, Jr., of the Shryock Realty Company insurance department and Miss Virginia Cadwell of Slater, Mo., will be married in Kansas City Aug. 3. O. D. Cox, state agent of the American, will be best man.

W. M. Brown, manager of the division of fire prevention and rates of the Kentucky department, who has been ill for some time, has been in a hospital at Lexington, Ky., the past week for observation and treatment.

J. R. Thompson, engineer First Kentucky Fire, Louisville, is the father of a 10½-pound son.

B. M. Culver, president America Fore, and Mrs. Culver sailed Wednesday for a six weeks vacation trip in Europe.

George Olson, Chicago independent adjuster, visited Sioux Falls, S. D. on his return trip from Denver, where he attended the Elks Convention. He spent some time in South Dakota in 1924 adjusting losses, a result of a heavy windstorm which swept the state in that year.

C. C. Mitchener of Marianna, Arkansas's only city manager, and perennial secretary of the Arkansas Association of Insurance Agents, has been elected president of the Arkansas Municipal League. He served as vice-president of the league last year.

Mrs. Edith Young Gardner, wife of Frank L. Gardner of Poughkeepsie, N. Y., former president of the National Association of Insurance Agents, died there suddenly from a heart attack. A lifelong resident of Poughkeepsie, Mrs. Gardner attended the local schools and was graduated from the former Lyndon Hall. She was active in the affairs of the First Presbyterian Church and the D. A. R.

Mrs. Gardner attended many conven-

tions of the National association with her husband, head of the Vail & Sutton agency and president of the Poughkeepsie Savings Bank.

Surviving, in addition to her husband and son, Frank Jr., who is deputy fire chief and operating his father's agency, is another son, James E. Gardner of Poughkeepsie, and a daughter, Dr. Edith Mead of New York City.

The engagement is announced of Charles Buresh, Jr., broker connected with Fred S. James & Co., Chicago, and Miss Mimi Schafer, whose father is Elmer J. Schafer, one of the Fred S. James partners. Mr. Buresh is the son of Charles Buresh, partner in Fred S. James and former president of the Chicago Board. Both families reside in Evanston, Ill. Mr. Buresh graduated from Amherst College and is president of the Amherst Club of Chicago. Miss Schafer is a graduate of Swarthmore College.

W. C. J. Hermann, who is celebrating his 50th anniversary in the real estate and insurance business in Minneapolis, was honored by friends at a surprise party. Golf was followed by a dinner party. An office clock was presented to Mr. Hermann. Mr. Hermann went to Minneapolis in 1883.

Frank L. Britton of Topeka, state representative of Corroon & Reynolds, suffered a broken collar bone when his car and a truck collided near Minneapolis. He was taken back to Topeka and is in Christ's hospital there.

Oscar G. Kraus, well known local agent at Escanaba, Mich., died suddenly at his home last week from a heart attack. He was 47 years of age. He played golf the day before and the evening prior to his death attended a picnic. He was born in Escanaba, Sept. 20, 1889. He was formerly division accountant for the C. & N. W. Railway in Escanaba and in the general office in Chicago. Sixteen years ago he opened an insurance and real estate office in Escanaba. He was secretary of the Es-



THE NATIONAL UNDERWRITER

PUBLISHED EVERY THURSDAY

Published by THE NATIONAL UNDERWRITER CO., Chicago, Cincinnati, New York.

PUBLICATION OFFICE, 175 W. Jackson Blvd., CHICAGO, Wabash 2704

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Subscription Price \$4.00 a year in United States and Canada. Single Copies, 20 cents. In Combination with Life Insurance Edition, \$5.50 a year. Entered as Second-class Matter April 25, 1931, at Post Office at Chicago, Ill., Under Act March 3, 1879.

canaba Golf Club and a member of the board of education.

Surviving are his widow and a son, James, who is attending Michigan College of Mining & Technology at Houghton.

H. V. Godbold, head of the H. V. Godbold Company agency, Richmond, Va. celebrated his 65th birthday, his 30th wedding anniversary and the 43rd anniversary of his entrance into the insurance business July 20. He started his insurance career in Atlanta in 1894. A son, H. V. Godbold, Jr., is with the liability department of the Zurich in Chicago.

Philip F. Brown, Jr., Virginia special agent of the Fidelity-Phenix and American Eagle, and Miss Marjorie M. Bowman of Richmond will be married Aug. 17.

A. G. Packard, branch manager of the Kansas Inspection Bureau at Kansas City, who fractured a leg on the ice last winter, is slowly recovering but is unable to return to his office so far. He is getting around on crutches and is able to put some weight on the injured leg.

J. C. Kelly, vice-president Wheeler-Kelly-Hagney Trust Company, Wichita, Kan., who has been recuperating from a dangerous throat infection at his home for the past month, is greatly improved and is permitted to have callers, but will not be able to return to his office for some time.

Fred L. Hans, Great Bend local agent, who served as Kansas state fish and game warden under former Governor Landon, has been replaced by a Democratic appointee and is back in Great Bend directing his agency.

B. J. Elem, assistant secretary and Kansas state agent of the Central States Fire of Wichita, and Mrs. Elem are vacationing in the New England states and will spend some time in Hartford with President Roy E. Eblen before returning to Wichita.

Herbert Hohenstein, Illinois state agent Commercial Union and Mrs. Hohenstein have been on a three weeks trip to Alaska. They are expected to return to Chicago early next week.

Axel J. Nelson, chief examiner in the western department of Hanover, and Mrs. Nelson were two in a party of four that were robbed the other evening. Mr. Nelson was at the wheel of his automobile, stopped in front of the home of the other couple, Mr. and Mrs. William Lerch, in Chicago. Two robbers, with guns, searched the four. They got only \$10 from Mr. Nelson. Mrs. Nelson successfully concealed a diamond ring. From Mr. and Mrs. Lerch, however, the robbers got jewelry valued at about \$1,625.

Raup Miller, Palo Alto, Cal., local agent, and for many years special agent for the Pacific National Fire in California, is the author of a book of poems, entitled "Silhouettes on Blue." High praise has been given the collection of poems by Pacific Coast literary editors.

Announcement is made of the marriage of Dorothy Catherine Hayden, daughter of Mr. and Mrs. Chester M. Hayden of Chicago, and Dr. Albert H. Slepian. Mr. Hayden is vice-president of Glens Falls and is president of the Chicago Board.

T. A. Dungan, Indiana state agent of the Fidelity-Phenix, shot a hole-in-one while playing on the LaGrange course near Chicago Thursday. In the four-

some with him were H. W. LaRue, B. W. Jones and J. F. Cooper of the America Fore Chicago office. He made his single shot on the 14th hole, which is 185 yards and across a pond, using a No. 4 iron. Mr. Dungan has been an expert golfer for more than 30 years, consistently taking honors in tournaments.

Joseph E. Johnson, local agent of Sycamore, Ill., is at home, recovering from the effects of an operation for removal of his appendix.

INSURANCE STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago, at close of business July 26, 1937.

	Par	Div.	Bid	Asked
Aetna Cas.	10	3.00*	93	96
Aetna Fire	10	1.60	48	50
Aetna Life	10	1.10	29	31
Agricultural	25	3.25*	84	86
Amer. Alliance. .	10	1.20*	22	23
Amer. Equitable. .	5	1.70*	37	39
American (N. J.)	2.50	60*	13	14
Amer. Surety	25	2.50	52	54
Automobile	10	1.20	29	31
Balt. Amer.	2.50	30*	8	9
Bankers & Ship. .	25	5.00	101	104
Boston	1.00	21.00	635	650
Camden Fire	5	1.00	20	21
Carolina	10	1.30*	24 1/2	26
City of N. Y.	10	1.20	25	26 1/2
Contl. Cas.	5	1.20	27 1/2	28 1/2
Contl. (N. Y.)	2.50	1.45*	39	40
Cor. & Rey. com. .	1.00	...	4%	5 1/2
Cor. & Rey. \$6	...	...	...	...
conv. pfd. A.	1.50	...	87	91
Cum. & For. com. .	10	3.90*	25 1/2	27
Employers Re.	10	1.60	46 1/2	48
Fed. (N. J.)	10	1.40	41	43
Fidelity & Dep. .	20	2.00	129	131
Fidelity-Phen. .	2.50	1.45*	39 1/2	40 1/2
Fire Assn.	10	2.50*	75	77
Firemen's (N. J.)	5	30	11 1/2	12 1/2
Franklin	5	1.40*	31	33
Gen. Reinsur.	5	2.00	38	40
Gibraltar F&M. .	10	1.20	26 1/2	28
Glens Falls	5	1.60	44	46
Globe & Repub. .	5	.85*	19	20
Gl. & Rut. (com.)	25	...	63	67
Gt. Amer. Fire. .	5	1.20*	26	27
Gt. Amer. Ind.	1	2.0	8	10
Hallifax Fire	10	1.00**	24 1/2	25 1/2
Hanover Fire	10	1.60	34	36
Hartford Fire	10	2.00	76	78
Htfd. Steam Boil. .	10	1.90*	58	60
Home F. & Mar. .	10	2.00	37	39
Home (N. Y.)	5	1.60*	35	36 1/2
Homestead	10	1.00	17 1/2	19
Ins. Co. of N. A. .	10	2.50*	70	73
Kan. City F&M. .	10	.60	22 1/2	25
Knickerbocker. .	5	.80	15	16
Lincoln F. (new) .	5	...	3 1/2	4 1/2
Md. Cas. com.	1	...	5	6
Mass. Bond.	12.50	3.50	64	66
Mer. & Mfrs.	5	.60	11	12
Mer. Assur. com. .	5.00	1.60	48	51
Natl. Cas.	10	1.00	17 1/2	19 1/2
Natl. Fire	10	2.00	65	67
Natl. Liberty	2	.40*	9 1/2	10 1/2
Natl. Union	20	4.00*	130	135
New Am. Cas.	2	.60	14	15
New Brunsw. F. .	10	1.35*	35	37
New Hampshire. .	10	1.60	49	51
New Jersey	20	1.50	48	50
Northern (N. Y.)	12.50	4.00*	96	100
North River	2.50	1.00*	26	28
N. W. Natl. Fire .	25	5.00	130	134
Pacific Fire	25	6.00	128	132
Paul Revere Fire .	10	1.30	26	28
Phoenix, Conn. .	10	2.50*	85	87
Preferred Acc.	5	.60	16 1/2	17 1/2
Prov. Wash.	10	1.40*	33	35
Republ. Tex.	10	1.20	24	26
Rosalia	5	.80*	10 1/2	11 1/2
Security	10	1.40	34	36
Sorgsd. F. & M. .	25	4.75*	117	120
St. Paul F. & M. .	25	7.50*	208	214
Travelers	100	16.00	490	510
U. S. Fire	4	2.00*	53	56
U. S. F. & G.	2	...	23	24
Westchester Fire	2.50	1.40*	34	36

*Includes extra. **Canadian funds.

Virgil Souders Transferred to the Home Office of the Fire Association

Virgil W. Souders, for the past several years assistant manager of the Pacific coast department of the Fire Association and the Reliance, has been called to the head office at Philadelphia to assist Marine General Agent Deering in the expansion of marine and inland marine facilities. While its affiliated companies have been managed directly in that business for some time, the Fire Association is just entering this class on a direct basis July 31.

Prior to his transfer to the Pacific Coast in 1933, Mr. Souders was Ohio state agent of the Fire Association group, which position he had held since 1925. He graduated in law from Western Reserve University in 1920.

NEW YORK

REJECT CHANGE IN MINIMUM

The proposal to increase the minimum premium in New York state has been turned down by the governing committee of New York Fire Insurance Rating Organization. The proposal was submitted by the rates committee of New York Fire Insurance Exchange. Instead of the present minimum premium of \$5 per policy, the proposed minimum was \$5 for one year policies, \$7.50 for three years and \$10 for five year contracts.

* * *

PRO RATA TERM RULE UP

The New York Fire Insurance Exchange at its next meeting will vote on proposal to make available in New York City the pro-rata term rule that enables governmental and non-profit organizations to stagger their insurance expirations. The rule has been in force in New York state outside of New York City and in a number of other jurisdictions throughout the country. Under this rule, a program could be arranged so that one-third or one-fifth of the insurance expires each year. In order to initiate a program permission is given to write one-third of the insurance for one year at pro rata of the three year term rate, one-third for two years at two-thirds of the three year term rate and one-third for three years at the three year rate.

* * *

SOCIETY PRIZE WINNERS

Winners have been announced in the various courses conducted by the Insurance Society of New York based on the results of the examination held in April. John J. King is chairman of the committee on prizes.

Fidelity & Casualty is the donor of the prizes in the casualty insurance courses. In part 1 the first prize winner was D. W. Perin, Jr., Great American Indemnity; part 2, John J. Leiby, Bankers Indemnity; part 3, Graham Watts, Globe Indemnity.

In fire insurance the prize donor is Continental. The winner in part 1 is Charles Piper, Home; part 2, F. O. Wiprecht, William Stake & Co.; part 3, G. W. Robinson, Great American.

The first prize winner in fire insurance accounting is Anker Olsen, Great American. The prize is donated by Insurance Accountants Association.

In inland marine, the prize was donated by the Home and the first prize winner is R. B. Mulholland, Marine Office of America.

In marine the donor was Atlantic Mutual and the first prize winner is R. A. Murphy, Chubb & Son.

In surety, the donor was National Surety and the first prize winner was John Giblon, Jr., Massachusetts Bonding.

Williams to Continue as Western Department Head of the Security Group

It is now stated that Walter D. Williams, who has been vice-president in charge of the western department of the Security of New Haven group at Rockford, Ill., will occupy a dual position very much like the course followed by the late C. W. Higley, who was president of the Hanover and still continued as its western manager. Mr. Williams as president of the Security will be at the home office part of the time and at Rockford a portion of the time. He will divide his time between the two offices in accordance with the requirements of each. He will continue to make his residence in Rockford. President Williams is solidly anchored to the west. His closest associations are in the great open spaces. He has always lived in that country. He has a splendid organization at each end of the line and he will be the supervisor so that he can keep the machinery running efficiently at both ends of the line.



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Young man to sell insurance for old established agency in northwest Indiana. Might sell interest. Catholic preferred. ADDRESS C-9, NATIONAL UNDERWRITER

PUBLIC Enemy NO. 17



COMMON ENEMIES TO GUARD AGAINST

- | | |
|------------------------|-----------------------------|
| 1. FIRE | 9. LIGHTNING |
| 2. MOTOR ACCIDENT | 10. MARINE DISASTER |
| 3. WINDSTORM & TORNADO | 11. RAILROAD WRECK |
| 4. PERSONAL ACCIDENT | 12. FALLING AIRCRAFT |
| 5. SICKNESS | 13. EXPLOSION |
| 6. DAMAGE CLAIMS | 14. RIOT OR CIVIL COMMOTION |
| 7. BURGLARY | 15. EARTHQUAKE |
| 8. ROBBERY | 16. FORGERY |
| 17. DISHONESTY | |

Regrettable but true, MILLIONS are lost annually through dishonesty of trusted employees, proving the "Human Factor" to be a formidable business hazard.

The honest employee today may be an embezzler tomorrow. INSURE his continued honesty and back him with the restraining power of a BOND.

Can any business afford to go without Fidelity insurance when every day's news records the ravages of that vicious "Public Enemy" DISHONESTY?

LOYALTY GROUP

Firemen's Insurance Company of Newark, New Jersey - ORGANIZED 1855

The Girard Fire & Marine Insurance Co. ORGANIZED 1853
 The Mechanics Insurance Co. of Philadelphia " 1854
 Superior Fire Insurance Company " 1871
 The Metropolitan Casualty Insurance Co. of N.Y. " 1874

Milwaukee Mechanics' Insurance Company ORGANIZED 1852
 National-Ben Franklin Fire Insurance Co. " 1866
 The Concordia Fire Insurance Co. of Milwaukee " 1870
 Commercial Casualty Insurance Company " 1909

WESTERN DEPARTMENT
 844 RUSH STREET, CHICAGO, ILLINOIS

CANADIAN DEPARTMENT
 461 BAY STREET, TORONTO, CANADA

EASTERN DEPARTMENT
 10 Park Place
 Newark, New Jersey

PACIFIC DEPARTMENT
 220 BUSH STREET, SAN FRANCISCO, CAL.
SOUTH-WESTERN DEPT.
 912 COMMERCE STREET, DALLAS, TEXAS

The NATIONAL UNDERWRITER

July 29, 1937

CASUALTY AND SURETY SECTION

Page Thirteen

I. M. U. A. Rule Bars Casualty Writing of Property Floater

Affiliates of Fire Companies in Marine Organization Are Blocked in Illinois

In addition to a number of other obstacles faced by those casualty companies that might desire to take advantage of the provision in the new Illinois insurance code permitting them to write the personal property floater, those casualty companies that are affiliated with fire or marine companies belonging to the Inland Marine Underwriters Association have an obstacle of their own. Under the I. M. U. A. rules, each individual company in a fleet is bound to observe the regulations of the organization. One of those regulations is that only fire and marine companies may write the personal property floater. Leaders in the I. M. U. A. are taking the position that this provision applies to casualty companies as well, that is if a fire company belongs to the I. M. U. A., not only must its other affiliated fire companies observe I. M. U. A. rules, but the casualty running mate as well, and observance means the casualty company can't sell the policy.

One Company Now Interested

So far as can be determined, only one important casualty company at present is seriously making an effort to get in shape to write the personal property floater in Illinois. Its management believes there is no impediment so far as the charter is concerned. The main consideration is the position of the New York department that a company operating in that state may not write in another state a line which it is not authorized to write in New York. This company is considering reinsuring the fire portion of the contract with a fire company.

Company executives are watching closely any move in the direction of multiple writing.

The leaders in the stock casualty and stock fire business got together and opposed the original provision in the Illinois code permitting fire companies to write casualty business and casualty companies to write fire. That provision was eliminated but the casualty companies did succeed in getting a provision permitting them to write "all householders' personal property floater risks."

Eye Connecticut Move

At the time the multiple writing question was under consideration in Illinois, National Fire of Hartford and Phoenix of Hartford went before the Connecticut legislature and got amendments to their charters permitting them to write casualty business. The possible significance of that move has been studied by executives of casualty and fire companies. Some of the Pennsylvania company officials, apparently prompted by the Connecticut situation, proposed a measure

(CONTINUED ON PAGE 27)

Non-Conference Auto People Ponder Illinois Requirements

Abandon Idea of Making Rate Filing Through a Bureau—Davis and Young Are Quizzed

About 30 representatives of non-conference automobile companies had a meeting in Chicago Tuesday to discuss the various problems incident to complying with the automobile anti-discrimination article of the new Illinois insurance code. The previous evening part of the group had a session to discuss the possibility of organizing a bureau to file rates and rules in behalf of all of the non-conference companies. So many obstacles appeared in the way of such a move that the idea will probably be abandoned. One of the big obstacles is that various types of insurers are concerned—stock, mutual and reciprocal.

G. H. Schirmer, vice-president and general manager Mid-West Auto Underwriters of Freeport, Ill., presided at the Tuesday meeting. Before luncheon there was a good deal of informal discussion.

Davis and Young Appear

Roy L. Davis, assistant insurance director of Illinois, and Frank Young of the department appeared at the afternoon session and were bombarded with questions. Neither was able to give definite answers to many of the inquiries. Mr. Davis said the department intends to employ a casualty insurance expert or actuary to act in connection with automobile rate regulation matters.

Mr. Young said that the department's ideas have not become crystalized on many phases of the situation.

Several questions were asked about the department's attitude toward so-called occupational rating of automobile risks. Mr. Davis expressed the belief that a company employing this method will be required to state definitely what risks are eligible for the discount.

One question was whether the non-conference companies might have a bureau file rates in behalf of all members and then have those individual members that desire to do so file deviations. Departmental representatives declined to give an answer to this question.

Filing Supporting Data

Another question is whether the companies may be required to file supporting data for their rates. This question likewise went unanswered.

Another question was whether a company might make a filing and then change it in a short time. The answer was that this can be done and a change can be made on a 15-day notice.

President Schirmer announced that he would circularize members of the Illinois Insurers Association—the non-conference group—concerning any new developments. He will appoint a subcommittee of three to keep in touch with the insurance department.

Although the anti-discrimination article does not become effective until Oct. 1, the department has called upon all companies to give notice by Aug. 1 of what instrumentality they intend to use in making the filing.

Frank MacGibeny, representing Auto Mutual Indemnity of New York, addressed the Tuesday meeting at some

Plate Glass Rate, Rule Changes Now Effective

Burglary Term Rule Now Authorized — Can Insure Neon Signs on an All-Risk Basis

NEW YORK.—A number of changes in plate glass rates and rules decided upon by the National Bureau of Casualty & Surety Underwriters became effective Monday of this week. A general revision of glass rates countrywide was considered unnecessary at this time.

In certain cities the metropolitan section was extended to include suburban territories which has the effect of reducing the suburban rate. Those cities are Denver, New Orleans, Minneapolis, St. Paul and Portland, Ore.

The term rule for writing glass business has been revised to coincide with the recent change in the burglary term rule. This amounts to a rate decrease. Under the new method the premium is $2\frac{1}{2}$ times the annual premium where the three year premium is paid all in advance. If the premium is paid 50 percent the first year, 30 percent the second and 20 percent the third, the three year term rate is $2\frac{1}{2}$ times the annual premium plus 5 percent.

Due to the fact that the laws have been changed in a number of states to permit casualty companies to insure glass against all risks, Neon signs may be so insured. The rate for a \$10 deductible policy on Neon signs is 30 percent of the amount of the insurance, subject to state and city differentials, some of which amount to as much as 70 percent. For full cover, the rate is 40 percent of the amount of the insurance subject to differential. In both cases there is a \$10 minimum premium. Marine companies get a \$3 rate for outside Neon signs with a \$10 deductible, \$2 for inside signs.

A new rule has been issued permitting insurance to be sold covering the cost of making temporary installations of glass or boarding up store fronts where there is delay in making permanent installation. Such situations most frequently occur when there is breakage Saturday afternoon and permanent installation cannot be made until next week. For such insurance the company must apply a specific amount of cover and the rate is two and a half times such amount, with no discount. The minimum premium is \$1.

Rates are raised in Gary, Ind.; Ports—
(CONTINUED ON PAGE 28)

length on the peculiar problems that will be involved in filing rates for long haul trucking risks.

Reports have been current in Chicago for the last few days that the National Bureau of Casualty & Surety Underwriters is seriously considering, in its rate filing in Illinois, reducing the rates on farmers' automobiles 25 percent. This is not official. The question of reducing rates on rural automobiles has been under consideration for the past two or three years.

The Illinois Inspection Bureau will make the rate and rule filing under the automobile anti-discrimination article in behalf of the National Automobile Underwriters Association companies.

Drake Counsel of Casualty and Surety Executives Body

Fills Vacancy Caused by J. A. Beha's Recent Resignation—Other Promotions

NEW YORK.—A further step has been taken in the reorganization of the Association of Casualty & Surety Executives by the appointment of Hervey J. Drake as counsel. Heretofore attor-



HERVEY J. DRAKE

ney for the association, Mr. Drake fills the vacancy caused by the resignation of James A. Beha as general counsel. The move was made by the executive committee.

At the same time three other members of the legal staff were designated as attorneys. They are: Louis A. Mills, formerly assistant secretary, and Marcus Abramson and Richard C. Wagner, formerly assistant attorneys. T. A. Haas was made an assistant attorney.

Eight Years with Body

Mr. Drake has become well known in the business during his eight years with the association. He has taken a hand in legislative matters in a number of states, although his principal work has been in New York state. He graduated from Cornell law college in 1904, served on the board of supervisors of Erie county, N. Y., during 1916 and 1917 and from 1918-24 was counsel to the New York department. He is a member of the committee of the New York State Bar Association on casualty insurance, member of the American Bar Association committee on unauthorized insurance and chairman of the committee on unauthorized practice of law of the International Association of Insurance Counsel.

It was Mr. Drake who had charge of straightening out the difficult situation
(CONTINUED ON PAGE 27)

Mutual Benefits in Illinois Up Against Getting Bonds

Surety Companies Found Loath to Issue Faithful Performance Guaranty on Such Risks

Mutual benefit concerns of Illinois may have a difficult time ahead due to the provision in the new code that their officers must file by Aug. 1 corporate surety bonds running to the association and in penal sum double the amount of the benefit fund.

Mutual benefit officers have been scurrying around in Chicago from one surety office to another trying to secure these bonds so they can qualify, but it is understood have had little if any success. A number of offices rejected such offerings. Some underwriters passed the submissions on to their home offices.

There is no Towner rate definitely for mutual benefit bonds. These concerns might possibly fall under the heading of beneficial associations, such as fraternal for which rates are carried in the manual. However, underwriters feel the rate for fraternal honesty or faithful performance bonds will be totally inadequate to cover honesty or faithful performance of proprietors of mutual benefit concerns, as well established fraternal are totally different in character. Their officers are elected by the members by popular vote and usually are leading members and prominent citizens in their communities. They get only small salaries, if any at all, and there is little opportunity or incentive for the officers to profit at the expense of other members by manipulation of funds.

Profit Factor Is Important

Surety offices look upon mutual benefit concerns as one-man affairs, organized mainly for profit by the proprietors. There are no statutes clearly defining the official duties and obligations of mutual benefit officials, although the new Illinois code is much more specific about how they must be operated than was the old insurance law.

The new code requires that benefit funds be conserved and used only for payment of claims and not for paying any expenses. Surety men say that if a mutual benefit official even with honest intent should violate this provision, that act would involve a faithful performance bond if he should carry one.

The new code does not specify whether what is required is an honesty or faithful performance bond. Surety men are very loath to issue the latter on mutual benefit proprietors, but they fear almost as much to issue an honesty bond. It is felt that in a court case the judge or jury might read into an honesty bond on a mutual benefit official the "faithful performance" clause which they consider to have very disastrous possibilities in the case of such concerns.

May Specially Rate Risks

The rate in Illinois for the honesty bond on fraternal officials is \$5.63 per \$1,000 and for the faithful performance bond \$8.50, there thus being approximately 50 percent penalty rate for the addition of the faithful performance clause. If written at all, the mutual benefit bonds probably will be specially rated, and the scale will be much higher.

The Illinois code's mutual benefit section provides that the benefit fund must be at least \$1,000 plus \$200 for each 100 members in excess of 500. If the fund should fall below this minimum, the section relating to the bond requirement states, the amount of the bond shall be set at double the amount of the benefit fund in the previous year.

Eagle Up 20 Percent

The Eagle Indemnity reports its premiums written for the first half of 1937 were \$1,785,657, a gain of \$287,146 over the first half of last year, or an increase of approximately 20 percent.

Thirty-five Years with Aetna Life Organization



GEORGE TRAMEL

George Tramel, Chicago manager of the Aetna Life and Aetna Casualty & Surety, has rounded out 35 years with the organization. He started with the former general agent taking charge of the casualty department when the Aetna Life branched into the casualty lines. He is one of the veterans of Chicago and has lost none of the zest and verve he possessed in days gone by when he was a famous yachtsman.

New Pennsylvania Statute Requires Filing Data on Automobile Policyholders

NEW YORK.—Companies expect to receive from Pennsylvania department a request to file information in accordance with an amendment to the financial responsibility law that was passed at the session recently adjourned. That amendment requires insurers Sept. 1 each year to file a showing of the number of automobiles insured in Pennsylvania, divided as between pleasure and commercial vehicles, and a statement as to the number of so-called "certificate risks" that were insured during the year. Certificate risks are those that were compelled to buy insurance in accordance with the provisions of the responsibility law.

The amendment also requires insurers to give the names and addresses of those who applied for insurance under compulsion of the financial responsibility law and were turned down by the insurer.

So far the companies have received no instructions from the Pennsylvania department. It would be impossible for them to supply this information for the current year because their record keeping has not been set up with that requirement in mind.

The amendment to the responsibility law also requires an agent or broker upon refusing to accept an application from any person required to establish proof of financial responsibility, to notify the insurer of the name and address of such person. If the agent represents more than one company, the giving of notice of declination to one insurer and the transmittal of that notice to the department of revenue shall be compliance with the requirement.

There is a penalty upon an insurer for violation of the new requirements of \$1,000 and penalty of \$25 upon agents and brokers.

The amendment continues in effect for five years.

The agency of the late O. L. Immel, Fremont, O., has been sold by his widow to H. P. Hilt.

Aggressive Fidelity Bond Campaign in Ohio Proposed

Meetings Already Scheduled in Columbus, Cincinnati, Cleveland, Toledo—Speakers Listed

Plans for an aggressive fidelity bond campaign were made by the Ohio Association of Casualty & Surety Managers at a meeting in Columbus. President R. E. Mathews has appointed three committees to handle the details of the campaign: Program, J. H. Parks, Cleveland, chairman; H. B. Hupp, Cincinnati; L. H. Paine, Toledo; F. R. Middleton, Columbus; H. S. Frank, Cleveland, and John Hunter, Columbus; finance, C. W. McNeil, Columbus, chairman; E. K. Welch, Cincinnati; B. C. Sauer, Cleveland; J. P. Ryan, Cincinnati; J. B. Gillespie, Columbus, and C. H. Kuhn, Cleveland; advertising, G. F. Ainslie, Jr., Columbus, chairman; K. O. Saunders, Cleveland; E. H. Schier, Cincinnati, and A. A. Edwards, Cleveland.

Four meetings have been scheduled. At a luncheon meeting in Columbus Oct. 5, speakers are expected to be Martin W. Lewis, New York, assistant manager Towner Rating Bureau; Trafford Tallmadge, Columbus general agent; L. P. McCullough, president Buckeye Building & Loan Co.; David Auch, Columbus, secretary Ohio Bankers Association, and John Brodsky, assistant manager, New York branch office Fidelity & Casualty.

Hall Cincinnati Speaker

A meeting will be held in Cincinnati Oct. 13 with three speakers, one of whom will be J. Dillard Hall, associate agency director, U. S. F. & G. The Cleveland meeting will be held Oct. 19. Speakers, as tentatively arranged, will include K. O. Saunders, Cleveland branch manager Maryland Casualty; L. Calvin Jones, Youngstown agent; M. F. Fleming, Cleveland, chairman Federal Reserve Bank; C. T. Spaulding, field supervisor, Aetna Casualty.

The Toledo meeting will be held in conjunction with the annual convention of the Ohio Association of Insurance Agents, Oct. 26. L. Calvin Jones, representing the Ohio Association of Insurance Agents, will extend a greeting, and speakers, as now planned, will be Col. H. P. Dunham, vice-president American Surety and New York Casualty; Earl Cook, president Second National Bank, Bucyrus, O., and vice-president Ohio Bankers Association, and Spencer Welton, vice-president Massachusetts Bonding. The campaign is expected to get under way by Sept. 15.

Group Covers Were Kept in Force During the Strikes

Practically all of those firms that have been carrying group insurance for their employees and have had strikes in the last few months, have kept up the entire insurance payments during the period of trouble. They have paid not only the employer's part of the premium but that of the employee as well. Most of the group writing companies have paid losses on account of death or disability to employees who were on strike at the time. Most employers that have purchased group insurance have come to regard that as a permanent department and a permanent policy and they were not disposed to interrupt or throw out the system when strikes occurred.

Employers have found that by and large group insurance is appreciated by the employees and particularly by families of the employees. It has created good will for the firm among the families. Most employers undoubtedly appreciate that their treatment of employees in the future must be more liberal and that nothing is to be gained by dropping or suspending group insurance while a strike is in progress.

Outlaws Excess Auto Limits Over Low Primary Cover

Washington Department Takes Cognizance of Lloyds Proposition by Jenkins of Los Angeles

Commissioner Sullivan of Washington has issued a bulletin to agents calling attention to the fact that the placing of excess auto p.l. and p.d. limits with an unauthorized insurer over small primary coverage of an admitted company is illegal. He states that his attention has been called to a circular issued by R. H. Jenkins general agency of Los Angeles offering to issue auto p.l. policies in London Lloyds with limits of \$4,000/\$5,000 over primary coverage of \$1,000/\$5,000 and property damage policies in limits of \$4,000 over primary limits of \$1,000.

Mr. Sullivan states that the placing of this insurance in Lloyds or any other unauthorized company is contrary to the Washington law as long as such coverage may be secured in authorized companies.

Surplus Line Provision

The surplus line provision of the Washington law requires that a surplus line broker must file an affidavit that the assured, after diligent effort, was unable to procure the coverage with companies licensed in the state. Inasmuch as admitted companies write automobile liability policies in limits of \$5,000/\$10,000 and property damage in limits of \$5,000, the placing of this coverage in any unauthorized company will subject an agent to cancellation of license.

Mr. Sullivan has written to the Jenkins agency threatening to take action unless the circulars are withdrawn.

Money Saving Offers

Propositions of this kind bob up around the country from time to time. By purchasing direct coverage in low amounts from a regular company and in higher limits from a reinsurer, the purchaser can save money. Usually primary coverage is purchased at least in limits of \$5,000/\$10,000 so far as auto p.l. is concerned. The National Bureau of Casualty & Surety Underwriters a few years ago authorized the sale of policies in limits of \$1,000/\$5,000 for p.l. and \$1,000 for property damage at a reduced rate. Apparently the Jenkins agency sees an opportunity to make up a package, using that cut rate bureau policy as a base. The low limits policy has never been popular and has never been pushed by companies or producers.

In New York a few years ago, several operators caused so much disturbance by pushing the sale of excess contracts over low primary limits, that the department regulated the excess rates. There is now no price advantage to a purchaser in New York by buying divided limits.

Motorists Alliance Sued

ST. LOUIS.—The St. Louis Bar Association's committee on unauthorized practice of law, acting on behalf of Attorney-general McKittrick, has filed suit in circuit court here to revoke the corporate charters of the Atlas Motorists Alliance and Atlas Automobile Assurance Association, which are charged with "wrongfully and illegally engaging in the practice of law."

After the suit had been filed an official said the assurance association was no longer in business, and that the Atlas Motorists Alliance, which changed hands about a year ago, is not at this time doing anything he believed could be construed as practicing law.

F. & C. Mid-Year Figures

Assets of Fidelity & Casualty of the America Fore group as of June 30 amounted to \$48,117,227, premium reserve \$13,325,586 as compared with \$11,505,392 at the end of the year, claim reserve was \$17,226,241, capital \$2,250,000, and net surplus \$12,704,060.

Cut in Group A. & H. Rates Runs as High as 10 Percent

Favorable Morbidity Ratio Is Given Recognition by Group As- sociation Companies—Map Pro- duction Drive

The rates for group accident and health covers charged by companies belonging to the Group Association are being reduced effective Aug. 1. Policies written in July will take the new rates upon the next monthly premium payment dates.

The reduction varies according to the plan. For the most popular plan, upon which perhaps 85 to 90 percent of the business is written, the rate is reduced to 66 cents per month for each \$10 of weekly benefit. Heretofore the rate has been 73 cents. This is a non-occupational plan with benefits from the first day on account of accident disability and benefits from the eighth day on account of sickness disability. Where the sickness waiting period is only three days, the new rate is 86 cents as compared with the former rate of 89 cents.

Some Reductions 10 Percent

The largest reduction is about 10 percent and on some plans the change is negligible.

For the past two or three years the group specialists appreciated that the rates were too high.

Those in charge of group production are now endeavoring to get agents to capitalize on the reduction in rates to sell new contracts. Others are attempting to get agents to solicit employers to carry group hospitalization plans.

The improvement in morbidity ratios justifying the rate reduction, is attributed to a variety of factors. For one thing, the increased use of medical examinations of employees at the inception of employment and periodically thereafter is causing an improvement. Another factor that has had some effect and is expected to increase in importance is that in a number of states so-called occupational diseases are being made compensable on much the same basis as occupational accidents have been. Group accident and health contracts are non-occupational. They do not cover accidents suffered in the course of employment except for those workers that are not covered under the compensation laws and in those states that do not have compensation laws. Where occupational diseases are compensated, the group A. & H. carrier is not liable. Accordingly a certain number of sickness claims are now being avoided under group covers and as the principle of compensating occupational diseases is extended to new states, the group costs will be further decreased.

The actual benefit from a reduction in the cost of group insurance goes to those risks that are not entitled to a dividend or experience credit on account of a good loss ratio. The rate quoted is a maximum rate. Those risks that have enjoyed good experience have been

Maps Pool Setup



CARL KIRK

Carl Kirk, assistant U. S. manager of the Zurich, is credited with having done most of the work in connection with setting up a plan of operation for the stock companies under the new Illinois law requiring the assignment of undesirable rejected occupational disease and compensation risks. He was on the scene and did a most creditable job.

getting rate credits under the formulas applied by the various companies, so that the net cost has not been out of line. With a lower initial premium, the result may be that the dividend or experience credit for low morbidity may be reduced.

Some risks today are paying as little as 35 percent of the manual rates because of good experience.

Hear Commonwealth Mutual Witnesses in New York

BOSTON — Corroborating testimony to the effect that Commissioner DeCelles of Massachusetts went to New York in October, 1934, and conferred with Frank Cohen, organizer of the now defunct Commonwealth Mutual Liability of Boston, almost a year before DeCelles testified he had met or known Cohen, was secured in New York the past week by two members of the state legislative committee investigating the affairs of Commonwealth Mutual. Ruby Pittsburg, a former taxicab driver and connected with taxicab insurers, friend of Cohen, corroborated Cohen's testimony in Boston, that DeCelles was in New York City and saw Cohen.

Pittsburg stated an attempt was being made to get the Eastern States Casualty started in Massachusetts and DeCelles objected. The plan for a new company was discussed and DeCelles objected to

using Prof. Frank Simpson of Massachusetts as the counsel for the company. Simpson had had some differences with the then governor, James M. Curley. According to Pittsburg, DeCelles suggested to the New York interests that George Ryan of Belmont, Mass., a neighbor of DeCelles, be employed as counsel, which was eventually done and the company started.

Pittsburg testified DeCelles was in New York City and visited night clubs with Cohen several months before Commonwealth was started and fully a year before DeCelles testified he had met Cohen.

Commissioner DeCelles, upon learning of the evidence secured in New York City, stated: "I have not seen the testimony presented at the hearing but I have read the newspaper reports and I haven't a thing to say."

Derry Promoted on Coast

W. W. Gilmore, Pacific Coast vice-president of the London & Lancashire Indemnity, has announced the appointment of B. C. Derry as superintendent of the Pacific Coast claims department. Mr. Derry, who has been with the claims department in the San Francisco branch for several years, succeeds M. E. Jacobus, who resigned to become resident vice-president of the American States.

R. H. Bland Sees Disaster in Mixed Representation of Stock and Mutual Units

In view of the current attention that is being given to the question of mixed representation of stock and mutual companies by agents, the comment of R. H. Bland, chairman United States Fidelity & Guaranty and of Fidelity & Guaranty Fire, in the house organ of those companies, is interesting. Mr. Bland characterizes as "ominous in the extreme" the growing tendency to represent cut rate and mutual companies.

Agents who represent this type of institution, he contends, are threatening the existence of the agency system. They are jeopardizing their future welfare in order to make an immediate dollar of commission. Many of the cut rate companies have reduced commissions sharply while mutuals, generally speaking, stand for the elimination of agents altogether, he states.

Companies that do not charge conference rates select the most desirable business and do not bear their share of insuring the average run of the mine business, he states. He cites the possibility of disaster among companies that work

(CONTINUED ON LAST PAGE)



IN THE WINDOW HE WILL GO!

Yes, indeed, and there's many a family that will return from a happy summer holiday to find a home that's been rifled of priceless possessions.

There are some things which money can't buy, but most of the loss can be easily replaced provided your clients have taken out an Ohio Casualty Residence Burglary and Robbery Policy. This is the time to talk it; sell it. Rates are extra-attractive; the coverage a comforting blanket which assures complete protection the whole year 'round.

We repeat—now is the time to sell it and now is the time to learn more about what Ohio Casualty has to offer you. Our new Financial Statement hints the story. A copy is yours, on request.

THE OHIO CASUALTY INSURANCE CO.

Home Office

Hamilton, Ohio

Automobile Accident
Burglary

Full Coverage Automobile
Liability
Fidelity and Surety Bonds

Plate Glass

CASUALTY COMPANY STATEMENTS

STOCK CASUALTY							
	Assets	Unearned Premiums	Capital	Surplus	6 Mos. Net Prem.	6 Mos. Net Loss	Total Claim Res.
Amer. Casualty.....	\$ 3,001,304	\$1,071,350	\$ 500,000	\$ 350,000	\$1,358,667	\$ 395,634	\$ 670,333
Amer. Indem.....	3,556,114	815,338	1,000,000	500,000	865,510	429,465	845,908
Buckeye Union Cas..	2,156,431	755,495	300,000	256,344	999,471	305,881	725,575
Fidelity & Cas.....	\$8,117,228	13,325,586	2,250,000	12,704,060	14,698,594	6,092,610	17,046,241
National Surety.....	20,761,912	6,782,367	2,500,000	6,586,711	5,118,046	856,217	3,309,518
Pacific Employers..	3,853,642	564,399	300,000	465,197	2,262,776	839,626	2,151,526
West American.....	1,355,764	788,074	250,000	222,847	368,641	106,181	45,487

MUTUAL							
	Assets	Unearned Premiums	Capital	Surplus	6 Mos. Net Prem.	6 Mos. Net Loss	Total Claim Res.
Hardware Mut. Cas.	10,348,725	4,287,591	.....	1,549,470	6,131,487	1,837,879	3,561,777
Shelby Mut. Pl. Gl..	1,515,684	647,415	.....	428,913	736,388	317,903	299,808
Travelers Mut. Cas.	530,174	99,320	.....	118,305	153,887	115,296	83,655
Auto. Club of S. Cal.	6,534,235	1,484,460	.....	4,706,880	634,844	303,276	.....
Mfrs. & Wh. Indem.	318,237	91,649	.....	208,135	135,748	50,023	9,529

*At market quotations: Assets \$48,277,699; policyholders' surplus, \$15,114,532.

*\$500,000 guaranty fund not included.

*Includes: Actual losses paid, \$364,029; adjustment expenses, \$65,436.

*\$60,000 for market fluctuations reserve.

CHANGES IN CASUALTY FIELD

Will Open Branch in Chicago

New Office of American Indemnity and American Fire Is in Charge of W. K. O'Connor

American Indemnity, Texas Indemnity and American Fire of Galveston on Aug. 2 will open a branch office in Chicago in A-1316 Insurance Exchange in



W. K. O'CONNOR

charge of W. K. O'Connor as resident manager. Mr. O'Connor resigns as automobile superintendent of Zurich Fire to take the position. The two companies through Mr. O'Connor will write automobile and preferred fire business. The occupational rating plan with a rate discount of 25 percent to those who qualify, will be employed in the automobile field. Mr. O'Connor is an experienced and

resourceful automobile man. He entered the business following the war with Kelly & Fuller of New York, metropolitan managers for London Guarantee, Fire Association and Boston and Old Colony. He joined Integrity Mutual Casualty at the home office in Chicago as automobile manager in 1920. Four years later he organized the automobile department of Netherlands and Great Lakes at the then United States head offices in Chicago. In 1929 when Netherlands moved its head office to Hartford, Mr. O'Connor decided to remain in the middle west and become automobile superintendent for Zurich. He has traveled extensively in the field and has many friends among agents and brokers.

When the United States entered the war Mr. O'Connor, then a member of the first battalion New York naval reserve, was assigned to the cruiser U.S.S. Minneapolis and served on the staff of Rear Admiral H. P. Jones. The Minneapolis was engaged in conveying troops and supply ships to France.

EMMETT SMITH SUCCEEDS O'CONNOR

Emmett Smith has been appointed to succeed Mr. O'Connor in the Zurich Fire. He has been in the automobile fire and theft department of that company about two years as underwriter. Previously for a good many years he was automobile manager with Eldredge & Cleary and subsequently Eldredge, Carlan, Graham & Cleary, then Chicago managers for U. S. Casualty. He had earlier experience with the Chicago agencies of Critchell, Miller, Whitney & Barbour and Bartholomay-Darling.

R. P. Mecherle Now President

Oldest Son of G. J. Mecherle Takes Helm of State Farm Mutual Automobile

At the recent annual meeting of State Farm Mutual Automobile of Bloomington, Ill., G. J. Mecherle announced his intention to resign as president and proposed the election of his oldest son, R. P. Mecherle in his place. Attorney Herman L. Ekern of Chicago, one of the directors, warmly endorsed the proposal that a Mecherle continue at the helm and the change was effected, G. J. Mecherle becoming chairman of the board. At the same time G. E. Mecherle, another son, who had been assistant secretary and treasurer, was elected secretary. R. P. Mecherle heretofore has been vice-president. He has been connected with the organization 14 years. G. E. Mecherle has been with the company 12 years.

G. J. Mecherle continues as president of the affiliated State Farm Life and State Farm Fire. He is remaining active in the business, but in relinquishing the presidency of the automobile company, he is preparing for the time when he will step aside. He has made a remarkable record as an insurance producer.

The automobile company last year wrote \$10,000,000 in premiums. For the first six months of this year there has been a 38 percent increase in business. The management states that net premiums of the fire company this year will probably reach \$1,000,000. The company is less than two years old. The management expects the life company to close the year with \$50,000,000 insurance in force.

Weadock to Standard Accident

George W. Weadock II, state senator from Saginaw, Mich., has joined the Standard Accident as special agent of the bonding department under the Detroit branch office, with headquarters in Saginaw.

He is a son of the late Leo Weadock, former president of the Michigan As-

sociation of Insurance Agents and owner of the Weadock Insurance Agency of Saginaw. On graduation in 1929 from the Aetna Casualty training school he went with the J. W. Henry agency of the Aetna Life group in Pittsburgh. Later he was transferred to the Chicago branch office as special agent. He served for a time as examiner of the Michigan department and was also with the Detroit office of the Fidelity & Casualty as bonding special agent. He has been for the past few years with the Weadock Agency in Saginaw.

U. S. Fidelity & Guaranty Two New Branch Offices Are Now in Full Swing

The United States Fidelity & Guaranty's new branch office at New Orleans with D. C. Ryan as manager is now in full swing. It will have charge of all the state except three agencies which continue to report direct, they being Alexander Bolton of Alexandria, Ford, Walker & Hearn of Shreveport and Norton, Bernard & Nungesser at New Orleans. Mr. Ryan graduated from college in 1919 and went into an agency in Kentucky. He went to New Orleans with the U. S. F. & G. in 1923 and more recently has acted as service manager at the Atlanta office.

Another new branch that has recently been started is at Minneapolis with J. D. Twohig in charge as manager. He joined the company in 1926 as direct supervisor at Chicago and later became city superintendent. Subsequently he was production service manager for the Minneapolis and St. Paul service office.

R. L. Inglis to New York for Associated Indemnity

SAN FRANCISCO.—R. L. Inglis, assistant secretary of the Associated Indemnity and for several years head of the underwriting department in the home office, is being transferred to New York City as resident secretary, associated with Vice-president W. R. Dempsey in the management of the eastern department. The company plans in a short time to establish a complete branch head office in New York along the same lines of those now functioning in Los Angeles and Dallas.

Mr. Inglis will be succeeded as home office underwriting head by J. P. Taheny, who will have the title of superintendent. He will operate directly under H. B. Humphry, vice-president. Mr. Taheny will be assisted by Kenneth Johnston, who is transferred from the metropolitan department in San Francisco.

Mr. Inglis joined the Associated Indemnity in 1927. He is a graduate of the University of Washington where he majored in insurance and statistics.

Scadden with Jones & Son

Thomas A. Scadden, well known for 30 years in casualty and surety circles in

San Francisco, has joined the brokerage firm of E. M. Jones & Son. Mr. Jones died last year and his business is being carried on by Mrs. Jones and their son, E. Pym Jones.

Harwood Succeeds Lavery as Chicago Claim Head

After 30 years of service with Standard Accident, Richard J. Lavery is retiring as claim manager in Chicago. He is succeeded by Stanley R. Harwood, who has been stationed in Chicago since April.

Mr. Harwood graduated from Albion College and Detroit College of Law. He was an investigator for two law firms in Detroit and then went with the old Republic Automobile of Detroit in the claim department. His next connection was with Employers Liability in the Detroit claim department. In 1935 he went with the Standard Accident as claim examiner at the head office.

Robert J. Carr, on Aug. 15, is joining the Chicago surety department of Standard Accident under Manager A. H. Quigg. He has been connected with Great American Indemnity in Chicago about two years as bond underwriter. Previously he was in the fidelity and surety claim department of Globe Indemnity in Chicago. He succeeds Norman Eggert, who goes with the Waidner, Power, Zweig & Lasch agency.

Named by Two Companies

The Magill Agency of Chicago has been appointed general agent in the Chicago metropolitan area by the American Casualty of Reading, Pa., and the American States of Indianapolis. These companies write very largely automobile and it is this line especially which the Magill agency will push for them. L. L. Andres is manager of the agency.

Hooper-Holmes Changes

J. Edward Bailey, Los Angeles manager Hooper-Holmes Bureau, has been transferred to Richmond, Va., as manager. C. A. Tobin formerly of the Los Angeles office, has been transferred to San Francisco.

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ACCIDENT AND HEALTH

Washington National Changes

Some Shifts Are Made Following the Merger of the Great Western With That Company

Following the merger of the Great Western of Des Moines with the Washington National of Chicago, there have been some official changes in order to coordinate and systematize the work to better advantage. The business of the Great Western in all its ramifications will be carried on from its head office in Des Moines and will be known as the "Great Western Division" of the Washington National. The Washington National has duplicated all Great Western policy contracts so that the agents will carry on just as they have before.

President W. G. Tallman, Secretary-Treasurer B. H. Gross and Vice-president V. E. Nutt of the Great Western have been elected vice-presidents of the Washington National.

Head Office Changes

At the Washington National head office Vice-president H. Brookes Kendall takes executive charge of the "Great Western Division" working with Vice-president Tallman and his associates. Heretofore the Washington National has had five divisions of its industrial branch. The midwest division in charge of H. Brookes Kendall as vice-president will now be merged with the central division in charge of Vice-president Curtis P. Kendall and will hereafter be known as the central west division, in charge of C. P. Kendall. The eastern division continues in charge of Resident Vice-president J. J. Krist of Baltimore. The Pacific Coast industrial division is in charge of Assistant Vice-president J. L. Lourie at San Francisco. The southern division is in charge of C. B. Crawford, vice-president at the head office.

Leon Ramey and W. A. James Promoted

Leon Ramey, manager of the industrial claim department, has been chosen assistant secretary of the company and becomes assistant to Vice-president Curtis P. Kendall, being transferred therefore to the executive department. W. A. James, who has been assistant secretary at the head office, becomes assistant vice-president. He has been acting as assistant to H. Brookes Kendall. He also becomes a right hand man of C. P. Kendall.

Another important announcement in connection with the merger is the increase of capital of the Washington National from \$1,000,000 to \$1,250,000. The capital of the Great Western is \$250,000 and that is being transferred to the Washington National. The Washington National capital was increased from \$600,000 to \$1,000,000 last year. The original capital was \$300,000.

Suit Contesting New Plan of Pacific Mutual Loses

Holding that his court had no jurisdiction, Federal Judge Roche of San Francisco has dismissed the suit of Fannie R. Hutchins of Texas attacking the Pacific Mutual Life reorganization plan. Fannie Hutchins held 50 shares of Pacific Mutual stock. The petition filed for her by Col. W. H. Neblett contained virtually the same allegations as in a petition filed by him on his own behalf in California state court some months ago with unsuccessful results. Since then the new corporation has successfully carried on the business of the old company.

The federal court ruled that the matter had been decided by the state court and the question of Commissioner Carpenter's authority was for the state court to decide. The Hutchins suit was dismissed with the statement that the Pacific Mutual proceedings could not be

characterized as fraudulent from anything that appeared in the complaint. The petition had asked that the federal court take jurisdiction of the property of the Pacific Mutual and attorney fees be allowed. Instead the entire petition was denied and costs were assessed against Fannie Hutchins.

There is now only one court action remaining which seeks to upset the method under which the company is working out of its difficulties of the past. There is pending before the California supreme court another action filed by Colonel Neblett June 3, with oral argument, decision on which, it is said, must be rendered within 90 days, or by Sept. 3. The latter seeks to set aside the order of Superior Judge Willis of California, which approved the Carpenter reorganization plan now being used. Neblett is seeking to have the company handled by the insurance code provisions.

Detroit Golf Tournament

DETROIT.—Members of the Detroit Accident & Health Association joined with the Lucky Hoodoos Club for a golf tournament and outing at Birch Hill Country Club. Frank Walton and Al Kreutz, both of the Mutual Benefit Health & Accident, were first and second prize winners in the kickers' handicap.

W. H. Hooper, Retail Credit, chairman of the entertainment committee, was in charge.

Reports on Association

Superintendent Julian has reported that the hospital insurance association which was organized in Alabama under the act of 1935 received \$16,656 premiums its first year and paid \$6,739 in hospital expenses. The contract provides for a specific number of days of hos-

pitalization in any one year and covers the majority of the accredited hospitals in the state.

Los Angeles Club Meets

At the July luncheon meeting of the Los Angeles Accident & Health Managers Club, with about 25 in attendance, M. B. Truitt, manager reporting department Retail Merchants Credit Association, Los Angeles, spoke on the work of that organization. C. M. McKee of San Francisco, northern California accident and health manager of the Occidental Life, was a guest.

Flaska Shows Good Gain

Under the management of L. F. Flaska of Toronto, the Canadian office of the Mutual Benefit Health & Accident has recorded a substantial gain in business written so far this year. The largest gain was made in June when 3,000 health and accident applications were written.

New Salt Lake City Officers

A. E. Buckwell, Travelers, has been elected president of the Salt Lake City Accident & Health Association. R. K. Grantier, Massachusetts Protective, is vice-president, and Hazen Exeter, Pacific Mutual, secretary-treasurer. The executive committee is composed of O. L. Hiner, Mutual Benefit Health & Accident, chairman; C. L. Archer, Travelers, and C. A. Thomas, North American Accident.

Miller with Continental

Harlan L. Miller, formerly with the Maryland Casualty in San Francisco, has become manager of the accident and health department of California Agencies, which handles the business of the Continental Casualty for San Francisco and northern California. He has been in accident and health work for a number of years and has made a notable record as a producer and supervisor of men.

FIDELITY AND SURETY NEWS

Dispute Over License Bonds

Conference Companies Offer \$5 Rate to San Francisco Brokers on New Bonds

SAN FRANCISCO.—The Surety Underwriters Association of Northern California and the Insurance Brokers Exchange of San Francisco have crossed swords over the new fidelity bonds required of brokers in accordance with the new California law.

The surety association, according to the Brokers Exchange, has refused to issue the new bonds until next year, holding that the brokers would have to file the same type of bond as in previous years.

The new bond is modified and protects only the buyer of insurance in the event the broker collects a premium and fails to deliver a policy, while the old bond, with a premium of \$15, protected the companies against loss by failure of a broker to remit premiums. The exchange has asked a lower rate, and, according to its special committee, since the conference surety companies would not give it a hearing, the committee proceeded to make arrangements with the St. Paul-Mercury Indemnity to issue the bonds for a premium of \$6. The exchange then solicited applications on the \$6 basis from its members. A few days later the Surety Underwriters Association issued a circular of its own, taking issue with some of the statements made by the exchange committee and quoting a rate of \$5, and claiming all credit for the legislative effort that brought the change in the law. This was immediately followed by a scorching circular from the exchange committee in which the surety association was

accused of "deliberate mis-statements," discourtesy and various other things. It also announced that in view of the position taken by the conference surety companies in suddenly announcing a \$5 premium rate that the St. Paul-Mercury had reduced its premium to the same level.

The Insurance Brokers Exchange of San Francisco also takes exception to the claim made in a circular sent out by the Surety Underwriters Association there that senate bill 470 relating to the brokers corporate surety bonds, recently signed by the governor, was sponsored by the surety men. In a communication to members the exchange relates that it initiated and sponsored the bill.

Prepare for Second Campaign

Surety Executives Are Mapping Fidelity Bond Production Drive in N. Y. Again This Fall

NEW YORK.—Companies which took part in last year's New York fidelity bond production campaign are already planning a similar campaign for this fall, confident that the over-all results of such activity are highly beneficial to the fidelity bond business. It is felt that while a certain number of poor risks will be dug up by agents and brokers under the stimulus of such a campaign, these risks can be weeded by the underwriters.

These production campaigns are based on the principle that the long-term effect of the campaign in interesting brokers who previously never before took fidelity bond business seriously is of vastly more importance than the actual business produced during the campaign. It frequently happens that such a producer becomes a permanent convert to

soliciting fidelity bonds and a valuable business getter in this field from then on.

While some opinions have been expressed doubting the value of such a production campaign, New York City proponents of the plan feel that these criticisms are based on business produced during the campaign and overlook long-term benefits.

Expect Rate Increase

LANSING, MICH.—A sharp upward revision in liquor bond premium rates is looked for in Michigan as a result of the approval by Governor Murphy of the act extensively amending the liquor control law. Under the new bond form sureties of liquor licensees are made directly liable for damages in event any person suffers loss or damage as the direct or indirect result of a violation of the law by the bonded dealer. New phraseology in the bond specifically protects the immediate family of any person who is served intoxicants in violation of the act and who subsequently engages in damaging conduct. The new bond provision is seen as opening the way to jury interpretations as to whether a violation has occurred which makes the bond actionable. The new law also increases from 18 to 21 years the age limit for purchase of beer, somewhat augmenting the risk of violations in serving to minors.

COMPENSATION

Consider High-Low Aug. 11

MINNEAPOLIS.—A special meeting of the rating committee of the Minnesota Compensation Rating Bureau has been called for Aug. 11 to consider retrospective rating.

At a meeting last September it was voted to lay the matter on the table until after the 1936 rate revision. At that time a sub-committee consisting of representatives of the Aetna Casualty, American Mutual Liability, Employers Mutual Liability and London Guarantee & Accident was named to review the proposal of the National Council on Compensation Insurance.

It is the consensus of members that the time is now appropriate for consideration of the subject by the entire rating committee.

C. I. O. to Aid Claimants

DETROIT.—The United Auto Workers, affiliate of C. I. O., is establishing a Medical Research Institute with a permanent staff and a score or more of consulting physicians and surgeons, to assist workers in accident and occupational disease cases.

The new occupational disease law provides for reference of disputed questions of fact to medical boards of three members. The U. A. W. Medical Research Institute expects to provide technical medical testimony and expert legal advice in handling industrial accident and occupational disease claims.

Michigan Measures Signed

LANSING, MICH.—Two workmen's compensation bills have been approved by Governor Murphy. One increases from four to six the number of commissioners in the department of labor and industry, and provides that three shall be attorneys. Five of the six will handle compensation matters. The act also increases the chairman's salary slightly. The other bill provides for "lump sum" payments of compensation under the occupational disease act passed by the 1937 legislative session, under certain conditions and at the discretion of the compensation commission. An amendment permits victims of dust diseases to waive compensation benefits in order that they may retain their jobs. Under the present law it will apply only to the mining industry.

NEWS OF CASUALTY COMPANIES

Promote New Iowa Company

H. L. Nehls, Formerly of Iowa Mutual Liability, Is Big Factor in Mid-American Casualty

Mid-America Casualty is the title of a new stock company that is being organized in Cedar Rapids, Ia., the charter having now been received. One of the principal factors is H. L. Nehls who until recently was secretary and the managing director of Iowa Mutual Liability of Cedar Rapids. He has had 20 years experience in casualty insurance. Mid-America Casualty has capital of \$200,000 and total surplus of \$75,000.

In addition to Mr. Nehls, the directors include: G. W. Corey, vice-president New Process Laundry Company; B. B. Hickenlooper, state representative, who will be general counsel; Elmer A. Johnson, associate general counsel; M. F. Mitvalsky, assistant general counsel; J. E. Rogers, secretary Order of Railway Conductors; J. A. Lattner, president Century Engineering Company; M. L. Ridgeway, an insurance man, and G. H. Cockburn of the G. H. Cockburn & Son agency of Cedar Rapids.

Mr. Ridgeway was for many years with the Cedar Rapids Life in actuarial work, also underwriting, and has had additional experience in general insurance lines.

This company will have \$200,000 capital, divided into 20,000 shares of \$10 par value and will be sold at \$13.75 per share, thus producing \$200,000 paid-up capital, \$50,000 surplus and \$25,000 voluntary surplus.

The present plans are to specialize in the automobile field (not long haul truckers) and possibly compensation in the classifications not requiring a rate in the heavy brackets.

Builders & Manufacturers Is Licensed in Six States

The Builders & Manufacturers Casualty of Chicago has been licensed in Illinois, Indiana, Iowa, Nebraska, Colorado and Michigan and its license applications are pending in Ohio and Pennsylvania. At least for the time being it plans to operate only in these eight states, concentrating its efforts. The bulk of its operations hereafter will be in states which are outstandingly stock insurance states.

There has been an average increase of about 15 percent in its man-hour workmen's compensation rates in Illinois and Iowa, the only two states in which it employs this unique plan of compensation rating.

This company, it will be remembered was organized on a stock basis from the old Builders & Manufacturers Mutual Casualty which had operated successfully for many years. The change to the stock basis was well taken throughout the territory of its operations. Its forms are standard throughout.

A. P. Lachel, superintendent of the compensation department, has been elected assistant secretary, and T. E. Breen, superintendent of the accounting department, was advanced to assistant treasurer. Mr. Lachel has been with the company about four years and Mr. Breen three years. Both formerly were connected with the old Union Indemnity. Mr. Lachel as assistant manager of the Chicago branch and Mr. Breen in the accounting department.

Mutual Bond Companies in Deal

Merchants Mutual Bonding of Des Moines has reinsured most of the outstanding business of Northern Mutual Bonding of that city.

Northern Mutual Bonding was organized in 1932 to do a general bonding business. It was managed by its presi-

dent, George Wrightman. The past three years its business consisted of beer and cigarette license bonds and the bonds of school district secretaries and treasurers and stock remedy salesmen. It retains the last named business.

Reinsured only by Merchants Mutual Bonding was that part of Northern Mutual Bonding business relating to beer and cigarette license and school district officers' bonds. Northern Mutual will continue to operate under its own name for the writing of general bonds.

Merchants Mutual Bonding was organized three years ago by Elmer H. Warner, a prominent Iowa casualty and surety man. He has developed quite a business, largely by getting a good volume of bonds of various classifications, the individual premium for which is small.

Buckeye Union's Report

Assets of the Buckeye Union Casualty increased \$239,488 the first six months, totaling \$2,190,502 June 30. Business for the six months was more than \$1,000,000, an increase of \$292,799 or 40.7 percent. This is the largest six months in its history and June, with \$203,000 in premiums, the largest month.

Total reserves as of June 30 were \$1,630,090, including unearned premiums, \$755,405; special liability reserve, \$692,957 and \$60,000 to cover market fluctuations. Surplus to policyholders increased more than \$15,000, to \$556,341. Claims paid totaled \$305,881.

Decides on Receivership

A hearing to show cause why a receiver should not be appointed for Central Mutual Auto of Detroit will be held

in Ingham county circuit court, Lansing, Friday. Commissioner Gauss, who has been in charge as custodian for some weeks, decided that the concern was beyond rehabilitation and receivership was indicated. The petition for receivership states that as of July 15 assets were \$37,909 and liabilities \$69,241.

U. S. Casualty Premium Gain

Net premiums written by the United States Casualty for the first six months this year amounted to \$3,189,836, gain 14.6 percent. Earned premiums were \$2,899,600, gain 13.3 percent.

American Surety Statement

The American Surety for the first six months shows an increase of \$237,492 in net premiums written and a decrease of \$125,489 in net losses incurred. In the second quarter of the year there was a sharp decline in the stock market. This necessitated transferring \$528,773 to reserve for depreciation of securities in order to adjust book values to actual market values. After providing for this item and \$374,998 for dividend payable July 2, there was added to surplus \$130,028. The assets are \$26,645,326, premium reserve \$6,058,265, reserve for reported losses \$3,629,694, reserve for unreported losses \$1,555,161, capital \$7,500,000, net surplus \$3,251,020.

Economy Auto Makes Gains

Economy Auto of Freeport, Ill., reports net premiums written for the first six months of this year were \$251,578 as compared with \$184,987 for the same period last year, increase 36 percent. Assets as of June 30 were \$676,800, increase 26 percent.

The Illinois National Casualty of Springfield, Ill., a stock automobile writing company, has been licensed in Ohio. J. Bryan Wollam of Cortland, O., is the agent.

CASUALTY PERSONALS

E. B. Ober, vice-president and one of the founders of the Anchor Casualty of St. Paul, is dead at the age of 72.

G. F. Michelbacher, vice-president Great American Indemnity spent last week in San Francisco visiting old friends and associates of his early days in the insurance business. Mr. Michelbacher is spending his vacation in California, making his headquarters at his "old home town" of Riverside in southern California.

Hugh D. Combs, vice-president United State Fidelity & Guaranty, is visiting branch offices and agencies on the Pacific Coast.

G. Clay Baker, former Kansas compensation commissioner, has been named president of the advisory committee of the Kansas unemployment compensation commission.

James T. Ramey, son of **James F. Ramey**, vice-president and secretary of the Washington National of Chicago, is spending the summer at Heidelberg University in Germany, taking a special course. He graduated last June from Amherst with high honors. He is a Phi Beta Kappa and graduated "cum laude." This fall he will enter Columbia University Law School. Another son, **Leon Ramey**, has just been elected assistant secretary of the Washington National.

Omar A. Goodwin, 65, who was secretary of the old American Guarantee, Columbus, O., died at his home there. He was with American Guarantee 10 years and upon retiring from that company opened his own insurance business in Columbus.

Dr. Frank W. Baylor, industrial surgeon of Chicago who for many years has done much work in connection with workmen's compensation and personal

injury cases involving insurance, was fatally injured in an automobile crash near Lebanon, Ind. He was taken to a hospital in that town where he died. Dr. K. I. Stevens, his assistant, and Mrs. Baylor, flew there. A son Wesley, 16, had been driving, losing control and the car turning over several times and landing upside down in a field. Dr. Baylor, 54, was born in New Albany, Ind., and had practiced in Chicago for 30 years, building up one of the finest clinics in the midwest, located in the Insurance Exchange. He conducted the emergency hospital in the Chicago Century of Progress exposition in 1933 and 1934.

A. Duncan Reid, president of Globe Indemnity, has returned to the head office following a trip to Hawaii. Mr. Reid insists that this was strictly a business trip and he expresses regret that he did not discover the possibilities in the islands many years ago.

George C. Roedcke, assistant adjuster in the Newark office of the Travelers, was tendered a dinner by his associates and presented a wrist watch, in recognition of his 25th anniversary of service with the company. E. C. Kautzman, assistant adjuster, was toastmaster. Among the speakers were former Judge Robert Carey of Jersey City, W. B. Clarkson, casualty manager at the Newark office, Horace Dauchey and G. C. Stout, also of the Newark office.

E. I. Fiery, Chicago manager of Royal Indemnity, went to Smithsburg, Md., due to the death of his father, Oliver P. Fiery.

The stay of **James S. Kemper**, president Lumbermen's Mutual Casualty, and Mrs. Kemper in Europe has been lengthened, due to the fact their daughter, Mrs. G. W. Roberts, a bride of two months, was stricken with paratyphoid in London. The Kempers were in

Baden-Baden, Germany, when their daughter, who was on her wedding trip, was stricken about a month ago. They have been in London since then. Mrs. Roberts is reported to be improving. Joseph Magnus, who is in charge of direct production in the central department of Lumbermen's Mutual Casualty, was in Europe and was with the Kempers in London a few days. Mr. Magnus has now returned to Chicago.

Paul Jones, newspaper man and promotion editor of the Cleveland "Press" for the past two years, has been named director of the publicity division of the National Safety Council, Chicago. He succeeds Tom A. Burke, who resigned recently to become executive secretary of the Advertising Club of New York. Mr. Jones went to Cleveland after spending seven years on the staff of the "Toledo News-Bee" where he served as city editor and managing editor. Earlier in his career, he was city editor of the Kansas City "Journal-Post."

Col. P. C. Lewis, Chicago manager of Employers Liability, is on a vacation trip in the east. He plans to be away about a month. For one week he intends to participate in the activities at the National Guard camp at Bourne, Mass. Col. Lewis is an ardent army man.

Among those who attended the funeral in Little Rock of Senator Joseph T. Robinson, the famous majority leader, were **Silliman Evans**, chairman of the Maryland Casualty, and **Col. R. Hill Carruth** of the Fidelity & Deposit in Chicago, representing the Iroquois Club of his city, of which he is president.

J. Gilbert Leigh, Little Rock general agent, was chairman of the committee that entertained the Congressional delegation.

Assistant Secretary **Ben W. Brown** of the Washington National of Chicago died last week. He was born Aug. 1, 1873. He started his insurance career in the claim department at a head office. In January, 1912, he went with the National Life, U. S. A., in its accident claim department, later being made manager. After the business was reinsured in the Washington National he became manager of its casualty department and later was appointed assistant secretary. Interment was at Madison, Wis.

Maryland Casualty Cartoon Series Features Odd Cases

Unusual casualty cases and other oddities in the casualty-surety underwriting and selling field are featured in a cartoon series which has made its appearance in the "Marylander," the Maryland Casualty's house organ. The cartoon is on the order of Ripley's "Believe It or Not" sketches.

In the first cartoon is an item about a careful housewife who wanted a bond against possible damage to the family tombstone by a stonecutter. This was written by one of the Maryland Casualty's offices. Another is about the lucky finder of \$500 under a restaurant table who was obliged to post bond protecting the cafe owner against the return of the loser.

Two other incidents recounted were of requests too fantastic or too risky to be bonded. One was for a surety bond guaranteeing not only the quality but the number of baked beans in cans. The other was for guarantee of safe arrival of day-old chicks, which the Maryland Casualty's Cleveland office decided was too uncertain a risk on account of the mortality rate.

South Carolina Men Reappointed

C. C. Martin and I. L. Hyatt have been reappointed as members of the South Carolina industrial commission. Both have served two years and are now appointed for six-year terms.

POINTERS FOR LOCAL AGENTS

Make Intelligent Analysis of Prospect's Problems

SAYVILLE, N. Y.—Examples showing how intelligent analysis applied to the prospect's business problems can build insurance business were cited by J. R. Rooney, manager Indemnity of North America, New York City, at the Suffolk County Agents Association summer get-together.

"The analytical approach to insurance selling must begin with the desire on the part of the agent to discover through careful study of the affairs of his prospect the hazards to which the prospect is subject before the agent can offer benefits which will persuade the prospect to buy," he said. "Price alone never persuades a client to purchase a policy of insurance. It is the reason behind the price which induces a prospect to adopt a suggested bond or policy." The analytical approach to insurance selling is the agent's best competitive weapon against the price argument, he declared.

Some examples cited by Mr. Rooney to show how resourceful agents have succeeded in getting accounts that looked absolutely sewed up:

How Cases Were Obtained

An agent asked a manufacturer of syphon bottles why he sold almost entirely to small dealers. It turned out that it was because large department stores and other quantity outlets feared the remote possibility of suits in case a bottle explode and injure a purchaser. Thereupon the agent and his company devised a form of product liability coverage to indemnify the manufacturer and the dealer against such possible losses. Furthermore the insurance company's engineering department conferred with the manufacturer, suggesting construction changes which reduced the hazard and hence the insurance rate.

Spanish War Helpful

Another agent learned that an aircraft manufacturer had received a large order for planes from one of the foreign powers. He pointed out the loss that would ensue if Congress should pass an embargo against airplane shipments. The result was an indemnity contract against the loss the manufacturer would sustain as a result of the declaration of an embargo. Not only was there a large commission for the producer but he had established his professional status in the mind of his client.

An insurance producer, by conversing with an executive of a large credit reporting agency, learned that the agency ran off reports for its subscribers from "ditto" master sheets and that consequently these sheets represented a great deal of time and money and should be insured. Said the executive, "if you can obtain all risk insurance against loss of the originals, you can have the business and a chance at the rest of our accounts."

Bank's Collateral Loans

An agent called on the head of a leading Long Island bank and asked him how high his collateral loans ran. These proved to be often in the neighborhood of \$25,000 to \$50,000, or far beyond the insurance coverage of \$10,000. The agent pointed out that if securities accepted as collateral proved spurious and the customer were unable to pay the loss from other assets the bank would sustain a

substantial loss. Even though the borrower might have acted in entire good faith in posting the collateral the latter might have been stolen when acquired. Because of this analysis the banker agreed to permit a survey which afforded the producer an opportunity for an analytical approach to all the bank's insurance. The result was an account involving more than \$5,000 in premiums within 90 days after the original contact.

In another case the analytical approach revealed that while a prospect

was using registered mail for outgoing securities he had no assurance that those sent to him would be insured. A resourceful agent found this out and arranged a type of protection to insure incoming shipments notwithstanding any error, neglect or omission on the part of the shipper.

Unable to find an appeal which would interest the owner of a small estate, another producer finally asked the prospect if he had been bothered by termites. The owner replied that he had not but many of his neighbors had and that he would like to get protection. After investigation the agent proposed a plan under which if certain work were done by a licensed and approved termite operator, the insurance company would issue a bond indemnifying the owner against loss or damage to building and/or contents through termites.

Questions and Answers

(FROM FIREMEN'S, N. J., "LOYALTY")

Q. Does a dealer's fire and theft policy cover damage to automobiles of others in the custody of the assured?

A. No. A separate garage keepers' liability coverage endorsement must be issued.

* * *

Q. Does a storage garage or service station policy cover for bodily injury or property damage automobiles owned by the assured?

A. No. Such automobiles must be covered under a separate contract.

* * *

Q. A building is owned jointly by two brothers, A and B. B dies, leaving two legal heirs, C and D. Should the fire insurance be amended to name A, C and D as the assured?

A. Not unless and until C and D are placed by the court in possession of B's interest, and title to that interest legally transferred to them. As to the interest of B, the insurance automatically runs to his estate. The fire insurance might properly be amended to show A and the Estate of B as the assured, but it is not necessary. In no circumstances should the policy name the "heirs of B" as assured. That would impose upon the insurer the burden of determining who the heirs were, and to do that would be expensive and in some cases impossible without prolonged litigation.

* * *

Q. Should glass having a special ornamentation or design of an expensive nature be specifically insured?

A. The rate schedule of the plate glass manual requires that all glass having a value in excess of \$5.00 per square foot shall be insured on a valuation basis.

* * *

Q. Is the rate for letting, designs, glass signs and glass covered for a specific amount subject to any discount?

A. Yes. The territorial discount is to be applied to all coverage as listed in Class D of the rate schedule. Additional discounts are permitted for certain occupancies.

* * *

Q. Can damage to frames be included in a plate glass policy?

A. The policy may be endorsed to provide for the repairing or replacing of the frames if they are damaged or destroyed by the accidental breakage of the glass. A premium of 5 percent of a specific amount of insurance, subject to no discounts, with a minimum premium

of \$1.00 per endorsement, is required for this additional protection.

* * *

Q. Upon what are the premiums for accident and health insurance policies based?

A. They are based upon the duties of the applicant's occupation.

* * *

Q. What is "total accident disability" as defined in commercial accident policies?

A. Disability resulting from accidental injury by reason of which the insured is unable to perform any of the duties pertaining to his occupation.

* * *

Q. What is the "insuring clause" in an accident and health policy?

A. It is the opening clause in every accident and health policy, defining accidental injury and sickness.

* * *

Q. For public liability insurance do restaurants and hotels, operated on a seasonal basis, carry the same rates for the entire year?

A. No. During the period they are completely closed they shall be rated as "buildings or premises—mercantile or manufacturing, etc."

* * *

Q. For public liability insurance should the area of porches, verandas or open air enclosures used for restaurant purposes in connection with a restaurant be included for premium computation?

A. Yes. Such area should be included, subject to pro rata adjustment for the operating season.

* * *

Q. Can a public liability policy be extended to cover the liability of a municipality in connection with permits involving the existence of advertising signs, awnings, canopies, coal holes, marquees, sidewalk elevators or hoistway openings and similar exposures?

A. Yes. On policies covering owners or lessees of premises on which such exposures exist at a separate and additional premium charge per location.

* * *

Q. A patient contracted erysipelas and sued an optician, alleging that the infection was caused by the contaminated frames (which were not sterilized) tried on in the office of the optician. Does the optometrist or optician liability policy cover any liability of the optometrist?

A. Yes. The policy covers the assured for liability for bodily injuries suf-

SALES IDEAS OF THE WEEK

Fur Sales in August Mean Opportunity for Agents

Attention is called to the fact that August is a month devoted to fur sales. Merchants sell furs largely in the summer time and particularly during August. Therefore agents can take advantage of this activity and solicit fur coat insurance. Usually companies prepare folders that can be used for mailing. A fur coat policy gives an all risk world-wide protection. The rate is 1 percent subject to a minimum premium of \$5. There is a 25 percent rate reduction allowed if the policy is endorsed stipulating that the insured garment or garments will be stored for not less than three consecutive months with a bailee, who issues to the assured a storage receipt stipulating that he assumes liability for loss by fire and theft.

Shift Expiration Dates

A good many agents and brokers, to good advantage, follow the practice of shifting the expiration dates on their target lines. There is always a danger if these lines are regularly renewed at the same time for three or five year periods, that competitors will learn when the date falls and will time their approaches accordingly. If these lines are occasionally canceled and rewritten, competitors are more likely to be thrown off the scent. Some of the biggest insurance houses systematically make these shifts so as to confuse possible competitors.

Special Live Stock Policy

The Aetna Fire has got out a special live stock policy for members of the 4-H and Smith-Hughes organizations, which have a large membership in many agricultural localities. They are attempting to promote educational work for future farmers. The Aetna Fire policy insures live stock against fire, lightning, tornado, hail, theft, full mortality and the perils of transportation to and from points of exhibition and while on exhibition at county, state or international live stock shows. The policies can be furnished to agents, who in turn can issue them to individual members of an organization, but the company recommends that it is much more desirable to get a certain number of members under a group policy. The master policy can be issued to the head of the organization with an endorsement showing each member who is insured together with particulars.

Right to the Point

Many new agents desire a manual that is plainly written and easy to understand. THE NATIONAL UNDERWRITER sells "Right to the Point." It answers hundreds of questions which come up in agency practice, on rules, methods, policies, forms, endorsements. It tells what the agent should do and not do. This book is of great interest to the policy writer or clerk. The question and answer method is used. For leather binding the cost is \$1 and for the flexible leather \$1.25.

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FIRE INSURANCE NEWS BY STATES

MIDDLE WESTERN STATES

Ask Receiver for Cobb's Firm

Nebraska Department Acts Against Farmers & Merchants Mutual—President Is Promoting New Company

Petition for receivership of Farmers & Merchants Mutual Fire of Omaha has been filed in Douglas county district court by the Nebraska department. Farmers & Merchants Mutual did not file a statement for 1936. The petition charged that claims exceed available funds and policyholders did not respond to a special assessment.

Just two or three weeks ago Roy E. Hall of Detroit was given a six months probation term in recorder's court in that city. He was charged with representing Farmers & Merchants Mutual, which is not licensed in Michigan.

Arthur Cobb has been operating Farmers & Merchants Mutual. He is one of three Omaha promoters who have been attempting to sell stock to brokers and agents in a fire company to be known as Federated Underwriters Assurance. Cobb at one time had the American Lloyds.

Farmers & Merchants Mutual was incorporated in 1934. On Dec. 31, 1936, it had assets of \$1,984 and liabilities of \$1,950 with surplus in the "red" \$133.

Coercion Still Prohibited

JEFFERSON CITY, MO.—The Missouri insurance department has called attention to the fact that its order of 1915 prohibiting coercion in the placing of insurance in connection with real estate loans is still in force.

Kansas Convention Plans

WICHITA.—Frank T. Priest, vice-president and chairman of the executive committee of the Kansas Association of Insurance Agents, outlined plans for the state convention at a meeting of the Wichita Insurers. The meeting will be

held in Topeka Oct. 27-29. Byron R. Ward of the Meade Investment Company has been named convention chairman. The officers will meet with Mr. Ward in August to organize the other committees and complete the plans. William Matchette of the Noble Agency spoke on "Meeting Competition."

Interprets License Law

TOPEKA.—Commissioner Hobbs has notified fire and casualty companies regarding the attorney-general's interpretation of the new agency law which requires that all policies be signed by resident agents. The resident agent must be a commissioned agent, not a salaried employee or general agent who receives a salary, the ruling holds. The "usual and customary commission" in the measure has been set at not less than 5 percent by Commissioner Hobbs.

Assignment for P. H. Ware

P. H. Ware of Minneapolis, manager of the Minnesota Fire Underwriters Association and secretary of the Minnesota Association of Insurance Agents, has been selected by the National association to preside over the local board conference No. 3 at the annual convention at Dallas. Group 3 includes members of local boards in cities of over 250,000 people.

Austin, Minn., Agents Elect

At the annual meeting of the Insurers Association of Austin, Minn., M. G. Ralston was elected president, C. S. Babcock, vice-president, Alice Riley, secretary, and L. H. Williams, treasurer. The executive committee consists of A. C. Page, chairman, Peter Capretz and W. E. Hopfe.

Joins Western Adjustment

Harold Larson, formerly of Aberdeen, S. D. has become associated with the Western Adjustment branch at Sioux Falls, S. D. He is a graduate of St. Olaf's College and was with his father at Aberdeen before entering adjusting work.

Minnesota Association Growing

MINNEAPOLIS.—In a review of the year's activities, the monthly bulletin of the Minnesota Association of Insurance Agents pays high tribute to President S. C. Aldridge and his co-workers. This year 49 new members have been added, bringing the total close to the 500 mark and making Minnesota seventh in membership among all state associations.

The Minnesota association is rounding out 40 years and according to its leaders it now is in the strongest position it ever has been. The annual meeting will be held at Duluth Aug. 12-13.

Report on Kansas Business

The annual report of the Kansas department for 1936 shows total fire premiums \$4,694,390, with an average rate of 72 cents and 50 percent loss ratio. Compared with 1935 the premiums are increased \$108,390, the average rate reduced 4 cents and the loss ratio up 10.84 percent. This compares with a nine-year average of \$5,567,263 annual premiums, average rate of 86 cents and average loss ratio of 53.6 percent.

Consider Des Moines Program

The Des Moines city council has agreed to consider the proposal of the Des Moines Underwriters Association that the insurance on city buildings be substantially increased. At present the city carries \$285,600 fire insurance on buildings exclusive of park buildings.

The proposal is that the city carry \$1,167,180 on buildings, exclusive of the library, for an annual premium of \$2,719, and that \$481,600 be carried on the library for an additional annual premium of \$886.

Kansas Losses Reduced

Kansas fire losses for the first six months of 1937 as reported to the department of inspections and registrations are 35 percent less than in 1936 and the number of fires 43 percent less. Each month except May has shown a marked reduction and the May increase was only around 5 percent. Total loss this year was \$1,118,043, compared with \$1,741,555 in 1936.

Storm Losses in Missouri

KANSAS CITY.—Wind and hail storms July 23 did considerable damage in a wide area of north central Missouri, field men and adjusters here report. North of Carrollton several total losses were reported. In Sullivan county the losses were substantial, but were confined to rural areas. Other sections in that territory affected include Glasgow, Huntsville and Macon.

Southern Minnesota Officers

ALBERT LEA, MINN.—At the annual meeting of the Southern Minnesota Regional Association, these officers were elected: President, Ray H. Ostrander, Albert Lea; vice-presidents, A. A. Hirman, Rochester, and Donald Scott, Faribault; secretary-treasurer, M. G. Rolfsen, Austin; chairman program committee, Howard Williams, Mankato; chairman membership committee, Francis McGovern, Rochester.

Three-Day Ohio Convention

This year, for probably the first time in its history, the Ohio Association of Insurance Agents will hold a three-day convention instead of a two-day meeting. The convention will be held Oct. 25-27 at the Secor Hotel in Toledo. The first day will be given up largely to a state insurance golf tournament, which will be arranged by a special committee named by President Paul Shawan of the Toledo association. The trustees will meet the evening of Oct. 25. Elaborate entertainment also is being arranged for the other two days. Efforts are being

made to line up some of the most outstanding insurance men in the country as speakers at the business sessions. Problems of rural agents are to be given serious consideration.

Newton Succeeds Latchem

J. L. Grimes, director of the Kansas department of inspections and registrations, who assumed the office July 1, has appointed B. M. Newton to head the fire division replacing Clyde Latchem. His duties are those of the former state fire marshal. Mr. Latchem has joined the attorney-general's staff.

J. H. Thomson With Earls-Blain

CINCINNATI.—John H. Thomson, who has had about 15 years' experience with Fred S. James & Co., Chicago, Millers National and several Canton, O., agencies, is now with the fire department of the Earls-Blain agency, Cincinnati. He is a son of E. O. Thomson, state agent North British group, Cleveland.

Incorporate Mayflower Mutual

The Mayflower Mutual, Columbus, O., has been incorporated to write fire and limited automobile insurance. Among the incorporators are C. H. Valentine, attorney; J. C. Reese, president North High Savings & Loan Co., and Miss M. M. Gilfillen, secretary of that company.

Inspection and Field Day in Morris

Field men are invited to attend the town inspection and field day in Morris, Ill., Aug. 12. H. K. "Smoky" Rogers, the fire clown, will be the featured speaker. There will be a golf tournament in the afternoon. Local business men and city and fire department officials are participating.

New Kansas City Board Members

H. F. Warner and W. B. Berkowitz are new members of the Insurance Agents Association of Kansas City.

Middlewestern Notes

Frank Holm, Davenport, Ia., agent, was found dead in his hotel room there. George W. Miller of Bucyrus, O., secretary of the Ohio Windstorm Association, is seriously ill.

IN THE SOUTHERN STATES

Alabama Amendments Asked

Superintendent Julian Recommends Changes to Tighten Up Insurance Laws—Reports 1936 Experience

MONTGOMERY, ALA.—Amendments needed to bring Alabama insurance laws up to date are suggested by Superintendent Julian in his annual report for 1936 in which he shows that fire companies had a profitable experience. Changes recommended by Mr. Julian are:

Amendment to make the anti-discriminatory or rebate statute effective. Change the provision fixing the reserve of insurance other than life, so that the percentage of unearned premium reserves is specifically stated and the unearned premium reserve set up on the premium charged rather than the premium earned.

Require that all fire companies issue a standard policy form in Alabama.

Include a penalty against the holder of the policy in the law dealing with placing of insurance with unauthorized companies.

Place the operation and administration

of the state fire fund act in the bureau of insurance.

Fire premiums totaled \$5,693,841 in 1936; incurred losses, \$2,188,005, a 38.4 percent ratio. The fire companies' premiums on other lines were \$2,644,211 in 1936 and losses incurred, \$1,259,800, a 47.64 percent loss ratio.

Has All Companies of Group

The H. W. Gates general agency, Jackson, Miss., now represents all companies in the American of Newark group, recently adding the Columbia Fire.

New Orleans Agency Changes

NEW ORLEANS.—Robert Ducasse has withdrawn from the New Orleans local agency of Kammer, DeLord & Ducasse here, which becomes Kammer & DeLord, and with his brother, Louis, will open the Ducasse Insurance Agency. The Dan A. Rose agency has been purchased by C. P. Carriere, Jr., & Co.

Brooks & Richardson Outing

The insurance department of Brooks & Richardson, Richmond, Va. held its annual outing at Yorktown July 27-29. A number of special agents and home

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office representatives of companies in the agency attended. Among those invited were J. W. Kessler, Virginia Fire & Marine; F. H. Spencer, Springfield F. & M.; W. C. Saunders, Occidental; A. L. Owens, Alliance; B. C. Lewis, Jr., vice president, Virginia Fire & Marine; F. B. McBride, J. H. McKinney and H. F. Clark, Atlantic marine department, Occidental, Philadelphia; C. L. Garnett, secretary Springfield Fire & Marine; J. A. Melrose, Eagle Indemnity; L. O. Wrenn, assistant manager Virginia automobile rate administrative bureau; W. C. Wood, assistant manager Virginia rating bureau, and R. R. Connolly, Fire Companies Adjustment Bureau. T. W. Kelley, manager of the agency, was charge d'affaires.

Nashville Seeks Lower Rates

NASHVILLE.—Commissioner McCormack has been petitioned by Councilman Garfinkle to take steps to reduce fire insurance rates in Nashville. City Commissioner Luton, in charge of the Nashville fire department, said he and officials connected with his department would welcome a reduction in rates. Nashville's rates were reduced three years ago.

Will Meet in Oklahoma City

Oklahoma City has been chosen as convention city for the annual meeting of the Oklahoma Association of Insurers. The date has not been definitely set, but will be in mid-October.

D. I. Terrell's New Setup

D. I. Terrell, who recently resigned as special agent for the Home of New York in Louisiana to open a general agency at 518 Maritime building, New Orleans, starts with the British General of the Commercial Union fleet, as Louisiana general agent. Mr. Terrell is well known in the Louisiana-Mississippi territory. His insurance work started in Texas in 1906 with a local agency. Later he served with the Roulet Bureau, the I. Reinhardt agency of Dallas, and as examiner for the Jalonic companies. He went to New Orleans in 1918 as examiner for the New Orleans Underwriters Agency, and two years later became state agent of the Milwaukee Mechanics. In 1923 he was made state agent of the National Liberty for Louisiana, Mississippi and Alabama and joined the Home about five years ago.

White Visits Virginia

J. Hunter White, agency superintendent of the National Union, was in Richmond last week conferring with W. T. Dent, newly appointed Virginia special agent. White formerly supervised that state for the Globe & Rutgers and the Queen.

To Select Virginia Manager

RICHMOND.—J. Davis Ewell, president Virginia Association of Insurance Agents, has named a special committee to receive applications for the position of salaried manager and to look into qualifications of applicants. The commit-

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He is courteous in the face of discourtesy.

He has self-confidence, but does not show it.

He is loved by his fellow men.

tee comprises Stuart Ragland, Richmond, chairman; Donald C. Hancock, Richmond, and Roger Clarke, Fredericksburg. It was directed to submit a report at an early date to the executive committee, which was authorized at the annual meeting of the association to employ a salaried manager.

The special committee was named at a meeting held in Richmond last week of the executive officers, chairmen of standing committees, and members of the executive committee. The following were named as regional vice-presidents: E. H. Dickey, Bristol; J. G. Yancey, Harrisonburg; G. M. Garland, Millboro; F. W. Hubbard, Farmville; C. D. West, Jr., Newport News. President Ewell

will serve as regional meeting chairman. The new conference committee will meet soon with the governing committee of the Virginia rating bureau to discuss matters affecting the interests of agents.

Report "In and Out" Violation

SAN ANTONIO.—At the monthly luncheon meeting of the San Antonio Insurance Exchange, Secretary F. F. Ludolph reported on an alleged violation of the "in and out rule" of the exchange in accepting business from a non-member. The grievance committee recommended that this being a first offense leniency be extended, but it was stated that the agents are to be notified that a second infraction would make ineligible for membership agents representing any of the companies in the general agency involved. Secretary Ludolph also commented on the salient points involved in the St. Louis "in and out rule" situation.

The question of mortgage controlled business, as it relates to national finance institutions, such as the Investors Syndicate and others, was discussed.

The Altgelt & Altgelt agency was elected to membership.

Cooper Opens Own Agency

W. W. Cooper, formerly senior partner in the agency of Cooper, Taylor & Holmes, Monroe, La., has opened his own agency at 423 Bernhardt building, Monroe.

K. Y. Hedrick, manager insurance department Merchants & Planters Bank, Warren, Ark., was married there to Miss Joel Dean Cunningham.

PACIFIC COAST AND MOUNTAIN

Plans for Idaho Convention

Local Agents Are Looking Forward to a Successful Meeting in Boise Next Week

The Idaho Association of Insurance Agents is completing arrangements for the annual convention to be held Aug. 2-3 at the Owyee Hotel at Boise. H. H. Eberle of Boise is general chairman. His associates are R. S. Campbell, F. G. Ensign, Wanek Stein and Tyler Williams. F. S. Dauwalter, director of the Business Development Office at New York City, will be the chief speaker.

Board May Be Represented

On the evening of the first day there will be a banquet and following that a dance. On the afternoon of the next day there will be a golf tournament. Undoubtedly the Idaho committee of the Pacific Board will be presented by some San Francisco manager. John B. Robertson of Twin Falls is president of the Idaho association, S. H. Taylor of Twin Falls, secretary, and H. H. Lipps of Lewiston, national councillor.

Form Oregon Agents Program

Annual Convention Schedule of Events Is Announced for the Forthcoming Medford Meeting

The program for the annual meeting of the Oregon State Agents Association to be held at the Hotel Medford, Medford, Aug. 5-6, is announced by Earl S. Tumy of that city, who is president of the Jackson County Fire Insurance Association, the official host. Governor Martin of Oregon is expected to give an address. Medford is well known as "the gateway to Crater Lake National Park." The program is as follows:

Thursday, Aug. 5

9:40—Address of welcome, Judge Earl Day, county judge of Jackson county, Ore.

Response to welcome, L. N. Brinard, public relations committee Oregon Special Agents Association.

Annual address of president Claude Nasburg, Marshfield.

Message from Hugh H. Earle, Oregon commissioner.

Address, Hugh Lacey, Phil Grossmayer Company, general agent, Portland, Ore., "Inconsistencies in the Insurance Business."

Address, R. M. Alton, chief trust officer United States National Bank, Portland, Ore., "Banking and Insurance."

Address, Stanley Stillman, Oregon state agent Liverpool & London & Globe, "Use and Occupancy Insurance."

1:30 p. m.—Annual golf tournament, Rogue Valley Golf Club. Non-golfers leave for Crater Lake National Park.

Friday, Aug. 6

Morning session, George Haerle of Portland, chairman Executive committee, presiding.

Address, E. A. Valentine, Portland, Ore., Fireman's Fund, "Inland Marine Insurance."

Address, Wm. H. Menn, Los Angeles, western executive committeeman National Association of Insurance Agents, "The Importance of National Organization."

Message from W. G. Rich, San Francisco, assistant manager Royal-Liverpool group, chairman Oregon conference committee.

Address, A. C. Posey, San Francisco, assistant manager Hartford Fire, "Surety Problems of Recent Years."

Address, A. M. Brown, Jr., San Francisco, Edward Brown & Sons, general

agent, "The Modern Trend to All-Risk Coverage."

Address, F. S. Dauwalter, director Business Development Office, "Wide Open."

12:30 p. m.—Luncheon, John C. Sturm, Portland, past president, presiding; speaker, W. M. McAllister, representative Oregon legislature, "Insurance of Public Property."

Afternoon Session

Call to reassemble (Chairman G. W. Haerle, executive committee, presiding). Announcements, communications, committee reports.

Election of officers.

Discussions, Past, Present and Future Problems Oregon State Agents Association, G. W. Haerle.

7 p. m.—Annual banquet, Hotel Medford.

Agents, Board Committee in Session on Rate Situation

SAN FRANCISCO.—The executive committee of the Pacific Board was requested by a special joint committee of board companies and local agents to study the present unprotected dwelling rate schedule with a view of making an entirely new schedule. According to committeemen the setup is unsatisfactory and mere removal of surcharges does not solve the conditions complained of. The joint committee met in San Francisco with W. A. Louis, New Zealand, chairman for the companies, and H. J. Thielen, chairman for agents association.

Group Makes Changes

SAN FRANCISCO.—Harold Gardner was appointed manager of the production department of the Commercial Union-Ocean group on the Pacific Coast. He has been manager of the inland marine department. He is succeeded in the latter position by Jay Lewis, former assistant manager. F. B. Griffith was appointed claims superintendent for the group.

Starting All Risks Agency

SAN FRANCISCO.—Incorporation papers of the All-Risks General Agency, organized by Newhouse & Sayre for the purpose of handling lines not now possible to handle legally under the present setup, have been filed with the secretary of state of California. It is understood the new firm will operate as subsidiary of Newhouse & Sayre to meet legal difficulties in many states. Harold Toso, Pacific vice-president, is named director in the papers. Others reside in New York.

Worland, Wyo., Office Opened

A new office has been opened in Worland, Wyo., by the Rocky Mountain department of the Fire Companies Adjustment Bureau. It will serve the territory known as the Basin in northwestern Wyoming, previously serviced by the Casper, Wyo., office.

Tom Burton, who joined the Rocky Mountain department of the Bureau June 1, will be in charge of the new office. He was formerly branch manager in St. Louis for the United Adjustment & Inspection Co.

Wilcox Gets Sun Underwriters

The Sun Underwriters has appointed Roy D. Wilcox in the Gas & Electric building at Denver as general agent in the Rocky Mountain territory.

Chapman Acted as Host

R. B. Hay Chapman, vice-president Johnson & Higgins, in charge of the Los Angeles office, has been resident director for the last 15 years. He was the host to a number of visitors in its new office at 603 West Seventh street.

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Travelers—American Indemnity—Glens Falls—others on request.
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References: Maryland Casualty Company, American Fidelity & Casualty Company, Traders & General Insurance Company.
Specializing in Insurance Law
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Seymour Lieberman
Standard Accident Insurance Company of Detroit.
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United States Casualty Co. of New York City, etc.
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E. F. Gibbons

(Continued next page)

They are air-conditioned and sound-proof. Mr. Chapman was formerly with the general agency of Balfour & Guthrie of San Francisco. When its brokerage department was sold to Johnson & Higgins, Mr. Chapman went with the latter firm and was placed in charge of its southern California office. He is president of the Southern California Insurance Society.

Standard Policy Changes Up

DENVER.—At a special meeting of company managers and general agents called by Frederic Williams, secretary Rocky Mountain Fire Underwriters Association, at the request of Commis-

sioner Cochran, proposed changes in the New York standard policy as recommended by a committee of the National Association of Insurance Commissioners were discussed. It was decided to have a committee of five to be appointed by Mr. Williams' report to Mr. Cochran at a later date.

Adjustment Bureau Coast Changes

F. E. Arnett, for several years an automobile and casualty adjuster with the General Exchange, has joined the Pacific Coast department of the Fire Companies Adjustment Bureau as staff adjuster at Fresno, Cal., in charge of automobile and casualty claims. He succeeds J. F.

Tapscott, who resigned recently to join the Hartford Accident.

H. F. Strachan, Jr., for eight years with the Travelers on the Pacific Coast territory as adjuster of automobile, casualty and special risk claims, succeeds J. P. Loretz as branch superintendent at the Chico, Cal., office.

Montgomery Ward Oakland Loss

Loss of about \$100,000 was suffered in fire in the wholesale and retail warehouse of Montgomery Ward & Co., in Oakland, Cal. The Pearl had the line. Adjustment is being handled by Underwriters Adjusting of Chicago.

Idaho Agents Are Warned

Inasmuch as only about half the agents of Idaho have applied for licenses under the new agents qualification law of that state, Commissioner Bakes has issued a warning. The effective date was July 1, but the department granted a grace period until Aug. 1.

Agents who have been licensed for two years are not required to take an examination but applicants for new license must pass written examinations. Each company is required to secure for each of its agents a license, costing \$3. Each fire and casualty agent in addition must have an individual sales permit. The cost is \$10 the first year and \$5 for each year thereafter.

Nelson Gary, Los Angeles independent adjuster, has moved to larger quarters at 1040 Fidelity building. He started his adjusting career with the Bates Adjusting Company in Oklahoma and went to Los Angeles in 1924.

life companies in the tax matter, declared: "We are perfectly willing to pay a reasonable tax. The new tax is not exactly by agreement, but it was understood the mayor would propose it and we would not contest it. We have said all along that we would agree to a tax restricted to business originating in Philadelphia. We can stand that on a three-year basis."

Plan Third Golf Tournament

PITTSBURGH.—The third golf tournament of the Insurance Club of Pittsburgh will be held Aug. 16 at the Stanton Heights Golf Club. R. F. Miller is chairman and C. H. Alexander associate chairman for all events of this nature this summer. The last two tournaments were well attended.

N. J. Membership Increasing

NEWARK.—It is hoped that the membership of the New Jersey Association of Underwriters, of which Herbert Faunce is president, will be well over the 700 mark before the annual meeting Sept. 16-17 at Asbury Park.

D. M. Pearsall is chairman of the membership committee, which has been doing excellent work.

Mark 70th Anniversary

Gearhart, Herr & Co., Lock Haven, Pa., celebrated the 70th anniversary of its founding July 23-24. No formal events were held, but the agency had open house. The agency was established

INSURANCE ATTORNEYS

• The insurance law firms whose professional cards are shown on this and the preceding pages have been selected after careful investigation. They have the recommendation and endorsement of The National Underwriter.

TEYAS (Cont.)

CRENSHAW & DUPREE

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Representing U. S. F. & G. F. & D., Maryland Casualty, American National Ins. Co., Amicable Life Ins. Co., and many others.
Trial of all insurance cases in all courts. Equipped for investigations, adjustments, settlement of claims in plain country.

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800-611 Gunter Building
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Continental Casualty Co., Chicago; Indemnity Ins. Co. of North America, Phila.; Mass. Bonding & Ins. Co., Boston; Provident Life and Acc. Ins. Co., Chattanooga; Sun Indemnity Co. of New York; Volunteer State Life Ins. Co., Chattanooga, and others.

MOURSUND, BALL, MOURSUND & BERGSTROM

613 Frost National Bank Building
San Antonio, Texas
Loyalty Group and others gives on request. Trial of all insurance cases, State and Federal Courts this territory.

UTAH

THATCHER & YOUNG

First Security Bank Building
Ogden, Utah

Travelers, Great American Indemnity, Maryland Casualty and others on request.
Equipped for investigations, adjustments, defense of insurance companies in Northern Utah.

Stewart, Stewart & Carter

1105 Continental Bank Building
Salt Lake City, Utah

Equipped for investigations, adjustments, settlements of claims and trial of all insurance cases State of Utah.

WASHINGTON

ALLEN, FROUDE & HILEN

Northern Life Tower
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DAVIS AND GROFF

(William Hatch Davis, former member Vermont Bar)
(Guy B. Groff, former member Maryland Bar)
1333 Dexter Horton Building
Seattle, Washington
(1) John Hancock Life.
(2) Fidelity & Guaranty Fire Corporation.
(Others on request)
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WASHINGTON (Cont.)

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Insurance Building
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E. L. Skeel Wm. Paul Uhlmann
Tom W. Holman Harry Henke, Jr.
Frank Hunter W. E. Evenson
Eyre H. Hollander Robert H. Grace
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Investigations and trial of all insurance cases in State and Federal Courts.

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218 First National Bank Bldg.
Walla Walla, Washington
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BONSTED & NICHOSON

Miller Building
Yakima, Washington
Loyalty Group, Pacific Indemnity, and others on request. Equipped for investigation and adjustments, trial of all insurance cases in Federal and State Courts.

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WOLFE & HART

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Former Attorney General, State of Wyoming. Trial of all Insurance Cases in State and Federal Courts.

EAST

Plans of National Mutual

Bethlehem, Pa., Company in Revising Its Operations Is Operating in a Comparatively Restricted Way

The National Mutual of Bethlehem, Pa., which was a member of the Associated Factory Mutual group and confined its writings to sprinklered manufacturing plants for a number of years before April, 1932, is now writing a general business. It retired from the Associated Factory group, its liability being insured in the Keystone Mutual and Manton Mutual of Philadelphia, which had been under the same management. The National Mutual was inactive until last year. For the present it writes fire, theft and collision automobile and fire insurance on dwellings and mercantile risks in fire protection points. It is confining its operations for the time in eastern Pennsylvania writing all business at 20 percent off tariff. H. J. Fritch is president. He is a large holder of real estate in Bethlehem and is director of a number of corporations there. H. K. Cowles, secretary and managing director, heads the Cowles & Co. agency at Bethlehem.

To Tax Philadelphia Premiums of Home Town Mutual Companies

PHILADELPHIA—In lieu of a 4-mill tax on assets of mutual life and mutual fire companies domiciled in this city, a 2 percent tax on premiums collected within the city limits is very likely to be imposed, effective Aug. 1. The city council is expected to vote such a tax this week.

The 4-mill asset tax was voted by the council but was vetoed by the mayor. The companies, it is understood, will not resist the premium tax, which would remain in effect for three years and four months. It is estimated that this tax will produce between \$200,000 and \$500,000 a year.

Four life companies and 11 fire companies will be affected.
Robert Dechert, counsel for Penn Mutual Life and attorney for the four

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PITTSBURGH: Bathwell & Warner, Standard Life Bldg.

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in July, 1867, by C. R. Gearheart of Danville, Pa., and has continued without interruption since that time with always a member of the Gearheart family either at the head of the business or associated with it.

The office is the oldest insurance agency in Clinton county and among its clients are a number who have been on the books for upward of 50 years. Among companies represented are the Sun, North America, Fire Association, Northern Assurance, Pennsylvania, Great American, National Union and Virginia Fire & Marine. At present, the agency has E. N. Harnish and H. B. Herr as joint managers, with Miss Sarah E. Gearhart and the estate of W. T. Betts as the other partners.

Awards Library Course Prizes

BOSTON.—The prize of \$50 offered by the Employers Liability for the one who passed the best examination in the liability course of the Boston Insurance Library school was won by A. L. Dow, an underwriter with the Liberty Mutual of Boston. The prize of \$50 offered by the Massachusetts Bonding for the one passing the best examination in the surety course was won by F. D. Whipple, a claim adjuster with the Century Indemnity in Boston.

To Resume Pittsburgh School

PITTSBURGH.—Plans are being made for resumption in October of the training school for prospective brokers and agents held during the early part of this year by the activities committee of the Insurance Club of Pittsburgh with the cooperation of the Pittsburgh Board of Public Education.

The school was inaugurated last February to enable compliance with the requirements of Commissioner Hunt calling for a background of nine months' training in a school teaching insurance or in an insurance office for applicants for agents' and brokers' licenses. The commissioner recognized graduates of the school as eligible for the state examination.

A correspondence course on insurance will be offered by Pennsylvania State College starting Sept. 1. It has been approved by the insurance commissioner.

Cooperative Agents' Muster

H. D. BeMiss of Canastota, N. Y., president of the Central New York Cooperative Insurance Agents Association, announces that the annual convention will be held in the Hotel Syracuse in Syracuse, Sept. 17-18.

MARINE

Automobile Sends Harry Cleaveland to the Coast

Harry Cleaveland is being transferred on Sept. 1 by the Automobile from Kansas City to San Francisco as assistant superintendent of the marine department there, a new position. He has been connected with the Automobile in the marine end about 10 years. He started in the Chicago office, then was stationed at Los Angeles and later at Kansas City. He attended Ohio State University. His father is insurance manager of the Pure Oil Company.

E. J. Gladwin has been transferred from the head office of the Automobile to the western marine department in Chicago. At present he is working in the St. Louis territory.

Little Chicago Marine Head

B. O. Little has been appointed Chicago and Cook County marine manager for the North America. He succeeds T. A. Strahle, who was recently appointed Cleveland marine manager. Mr. Little was formerly with the North America

Pennsylvania Meet to Be on Sept. 13-15 at Bedford

The annual convention of the Pennsylvania Association of Insurance Agents will be held at the Bedford Springs Hotel, Bedford, Pa., Sept. 13-15.

The entire facilities of the mountain resort will be turned over to the association. Golf, swimming pool, saddle horses are among the advantages offered. The program will be announced later. A large turnout of company officials and field men is expected.

for several years. Lately he has been in the brokerage business in New York.

Mr. Little was identified with the North America for 22 years until 1935, when he became inland marine manager of Hall & Henshaw.

Detroit Motorboats Burn

DETROIT.—Fire started by a minor explosion in the Detroit Yacht Club's motorboat basin in Motorboat Lane caused damage estimated at \$50,000, most of which was covered by insurance. Fourteen boats were destroyed before the flames were brought under control.

MOTOR

Sullivan Warns on "Auto Clubs"

Commissioner Sullivan of Washington has warned citizens of that state to beware of persons representing themselves as insurance agents offering automobile insurance through various motor clubs at low rates.

"These people are not licensed by the insurance department," he says, "nor are the companies they represent authorized insurance carriers. They prey particularly on the rural districts, selling what is purported to be automobile insurance, but when the contract arrives, if it ever does, it is merely an automobile service contract offering towing, bail bond and incidental services."

Mr. Sullivan requests all prospective insurance buyers to ask the solicitor to produce his license from the insurance department.

Special Deal for Doctors

NEWARK.—The Physicians Underwriting Agency, Harry Fleuchaus, president, has opened an office here. It advertises it is "the only authorized agency endorsed and recommended by the Medical Society of New Jersey. The Automobile Association of New Jersey has prepared a special membership for the doctors, for which we are the exclusive agents, to be sold with the insurance policy of any one of the companies we represent, at a cost of only \$3 a year."

Ohio Finance Complaint

COLUMBUS.—The Ohio Association of Insurance Agents has referred to the Ohio department the cases of three automobile finance concerns which are alleged to have violated the insurance laws. The opinion has been expressed that if the proper procedure is taken against at least one of these companies, it will be expelled from the state.

General Mutual of Tulsa Licensed

H. G. Franklin of the Franklin Mortgage Co., Tulsa, Okla., is president of the General Mutual of Tulsa, just licensed in Oklahoma to write automobile fire, theft and collision insurance.

The Seattle Blue Goose held its annual picnic at the home of Roy Nelson on the east shore of Lake Washington with an attendance of 40.

CANADIAN NEWS

Ottawa Promised Reduction

OTTAWA, ONT.—Promising readjustments which will result in lower insurance costs, J. W. Price, of Toronto, assistant general manager of the North America, which recently made a free survey of the city's insurance problems, will submit a report of the survey, with recommendations which may prove to the city's advantage, to the city council, July 29. Mr. Price said: "We have had every cooperation from the Canadian Underwriters Association and have brought about many readjustments which will result in lower insurance rates."

Licensed in British Columbia

VANCOUVER.—The Bankers & Shippers has been licensed in British Columbia to write fire and marine, with C. A. Mitchell of Vancouver as agent.

The Hanover has been licensed to write marine business in addition to fire. Dale & Co. are general agents.

I. M. U. A. Rule Bars Casualty Writing of Property Floater

(CONTINUED FROM PAGE 13)

for enactment in Pennsylvania giving multiple writing powers to fire and casualty companies. This proposal was made so late in the session that it did not get consideration.

Interest is being taken in the recodification of the New York insurance laws. The proposed code is now being printed. Superintendent Pink of New York personally has been in favor of the multiple writing privilege. He has made the statement that most company executives are not yet ready for such a development and he has expressed a willingness to slow down his pace.

Few companies appear eager to break through the traditional barrier at this time, but all companies are watching every move that seems to lead in the direction of multiple writing. They are watching for legislation and charter amendments. A good many of the companies have caused an analysis to be made of the charter powers of other companies and they have analyzed the laws of the various states. If one or two big companies should find an opening and proceed to exercise multiple writing powers, a good many of the other companies would undoubtedly act rapidly to follow suit. A good many observers believe that the fences surrounding the various compartments of insurance are being weakened here and there and that sooner or later there will be important changes.

The personal property floater continuously rankles the casualty people. It is depriving them of one of their most desirable classes, household burglary. This feeling of resentment is found not only among independent casualty companies that do not have fire affiliates, but among affiliated casualty companies. The latter type dislikes to lose business to the marine department of affiliated companies even though in the final analysis the net results to stockholders and in the eyes of the topmost executives of the group are the same. The casualty people naturally want to stand on their own feet, make a showing. The loss of burglary business may mean the loss of a job here and there. The intra-mural competition, so to speak, frequently is more intense than the competition between institutions that are not affiliated.

A good many of the marine executives are contemptuous of the casualty people. They say that the casualty people deserve to lose their burglary business, alleging that they have not handled the line intelligently. Their main criticism is that burglary insurance is usually written in flat amounts, without regard to the values involved. That is, the agent offers

\$500, \$1,000 or \$2,000 of burglary protection despite the fact that the assured might have \$10,000 of property that could be stolen. The marine people on the other hand boast that they get a much better proportion of insurance to value. That has become more or less of a standardized answer to the complaint of casualty people due to the loss of burglary business to the marine department.

Some of the marine and fire company executives fear that if the casualty companies start selling the personal property floater they will push its sale among persons of comparatively small means and property. This contract, a good many believe, should be considered pretty much as a rich man's buy. They say it should be confined to those buyers who can afford the cost and are willing to make a larger outlay for the convenience of having a single contract. If the contract is sold generally to those with only \$2,000 or \$3,000 of insurable values, then some observers believe that the moral hazard will assert itself to a pronounced extent.

Drake Counsel of Casualty and Surety Executives Body

(CONTINUED FROM PAGE 13)

that confronted the bonding companies during the depression, when wholesale bank failures threatened to make it impossible to write bonds on public officials and tax collectors.

At that time public officials of villages, towns, cities and educational boards were responsible in case of failures of banks where they had deposited funds they had collected. Even though the boards under which these officials operated might want to take over the responsibility for the soundness of a bank by designating a particular institution, the law would not recognize this shift in responsibility but still held the official himself responsible.

Tax Collector Situation

In the case of tax collectors, these officials were required to make personal demands on delinquent taxpayers and if the latter failed to meet these demands the collector was required to sell the personal property of the citizens who were failing to pay up. Frequently it was a physical impossibility for collectors to make these required personal calls and because of hard times they were unwilling to try to sell anyone's personal property in order to realize the tax money. Since the bonds they were forced to carry covered even such technical failures in the line of duty, an almost prohibitive load was placed on the bonding companies.

It took several years to get the laws changed to take care of all these situations. The public official bond situation was handled by changing the laws to relieve officials of the responsibility and shift the latter to the governing board. The tax collectors were taken care of by making it permissive rather than mandatory for the collectors to make the calls and sell the delinquent's personal property.

In addition to a full sized job of getting constructive legislation of this sort through the legislature, Mr. Drake had the responsibility of combating many types of threatened adverse legislation. The bonding situation was a particularly complicated one because it required the amending of so many different types of laws—those relating to villages, towns, counties, cities and educational boards.

Mr. Drake went to New York City in 1918 as counsel to the New York department. He was appointed by Superintendent J. S. Phillips, now chairman of Great American Indemnity. As counsel Mr. Drake succeeded Leroy A. Lincoln, now president Metropolitan Life. Leaving the department in 1924, Mr. Drake went with the former law firm of Bonyne & Parker, prominent insurance lawyers.

Sept. 8 Is Deadline for Clearance in the St. Louis Row

(CONTINUED FROM PAGE 1)

to confine their representation to board agents and give up the agents that have the mark on them. Some companies find at present that all or practically all of their business comes from expelled agents. Other companies find that their business comes almost entirely from board representatives. The interest of others is divided in more or less degree. Some are split just about in two. This group of companies is getting offers from board agents to make up the loss of business that would come from losing connections with agents under expulsion. Although such companies could make up the difference so far as dollar volume is concerned, there are a number of less material ties that bind the companies to these expelled agencies and there is also the fact that they would be giving up seasoned business for business that is strange and new to them. Sept. 8 is the date for the next meeting of the executive committee.

The customary notices are not only going forward in regard to the class 1 and class 2 members dropped on June 30, but also to the agents who may represent companies in the offices of Lon W. Harlow & Co., a class 1 member dropped from the rolls several weeks ago for failure to pay the 1937 dues.

Two Vacancies Exist

The June 30 meeting eliminated two members of the executive committee—A. J. Hunthausen of the Crane agency, class 1 representative, and J. J. O'Boyle, a broker registered through the Crane agency. These vacancies probably will be filled at the Sept. 8 meeting.

Considerable discussion is heard here regarding the new rules of Western Underwriters Association to apply to St. Louis Aug. 1. Particular interest is found in the new definition of a class 2 agent and the provision that such agents cannot write any business in the congested districts.

Many class 2 agents may decide to take on class 1 status or become brokers for some of the class 1 agencies.

The Fire Underwriters Association has about 130 class 2 agents and many of them now write business in the downtown district.

In support of the new rules it is argued that many of the present class 2 agents would be better off brokering their personal business through some of the larger agencies. It is contended that not only would these smaller agents have a better net income, but through a larger agency connection would have better facilities for handling various lines. Primarily these men are personal producers and they should concentrate on their chief asset without worrying about the details of managing an agency, it is argued. But some of the class 2 men are not to be swayed by such contentions and say they intend to maintain their present status.

Increase in Costs Is Now Curtailing Home Building

(CONTINUED FROM PAGE 1)

and rising rents in Pittsburgh have served to continue construction work on such units, but many multiple housing projects have been postponed. At St. Louis it was reported owners are using home construction loans in excess of 60 percent of the cost of construction, a basis on which many conservative private lenders do not operate.

Big Rise in Some Centers

The greatest increase in home construction costs appears to be in Boston, Cincinnati, New York City and Pittsburgh, homes costing \$4,000 on the 1936 average level now costing over \$4,800. Cleveland, Detroit, Minneapolis and Seattle are next, the level being over

\$4,700, and Atlanta and New Orleans being over \$4,600. The July, 1937, construction cost level on frame homes shows greatest percentage increase over the 1926-29 average level in Cincinnati, 102.4 percent; Cleveland, 100.8 percent; Minneapolis, 112.9 percent; San Francisco, 109.9 percent, and Seattle, 111.7 percent. The comparison with 1936 average shows Pittsburgh leading, 121.4 percent; Cincinnati, 121.8 percent; New York City and Boston, 120.5 percent, and others only slightly less.

Weigh Significance of Licensing of Lloyds in Kentucky

(CONTINUED FROM PAGE 3)

real object is whisky and tobacco lines. At any rate the ground work, started about six months ago, would indicate that the first operations will be under the fire policy license, and that the other licenses will come later, if and when.

PROVISIONS OF THE LAW

FRANKFORT, KY.—The law under which London Lloyds was licensed in Kentucky is Sub-Division 7C of Chapter 32, Baldwin Kentucky Statutes, 1936 Edition.

A pertinent provision of the law is: "743S-5. Alien underwriters, provisions concerning.—If any of underwriters applying for certificate of authority hereunder is not a citizen of the United States, each such alien underwriter shall, at the time of the making of the aforesaid application for license, deposit with the state treasurer through the commissioner the sum of \$5,000 in cash or in securities such as are now required for the investment of the capital of insurance corporation authorized to transact similar kinds of insurance in this commonwealth; provided, that the provisions of this section as to deposits shall not apply if such alien underwriter is one of an association of underwriters having on deposit with the insurance department of any state in the United States, or in the hands of a bank or trust company as trustee, a cash deposit or approved securities worth not less than \$100,000, held in trust for the benefit of all their policyholders in the United States; provided, further, that the provisions of this section as to deposits shall not apply if such alien underwriters, nine-tenths of whom are at all times citizens of the United States, and who have complied with all other provisions of this act."

Another provision is: "743S-9. Maximum risk that may be assumed.—No association of underwriters, authorized to do business in this commonwealth under the terms hereof, shall expose themselves to loss on any one risk to an amount in excess of one-fifth of their cash and invested assets, including therein the underwriting liability of the individual underwriters, unless any excess shall be reinsured at the same time by said underwriters."

"743S-10. Footing similar to foreign stock companies.—All associations of underwriters authorized hereunder and their representatives shall respectively be subject to the same supervision by, and required to make the same reports to, the commissioner as is required of foreign stock insurance companies and their representatives transacting the same or similar kinds of insurance in this commonwealth, and they shall pay the same taxes and license fees as are required to be paid by such insurance companies."

R. H. Bland Condemns Mixed Stock-Mutual Representation

(CONTINUED FROM PAGE 15)

the rates down to a point where it is impossible to make a profit.

He referred to a recent advertisement of a large mutual company, stating that it offers lower expenses as a result of

direct selling. If this is carried to its logical extent, according to Mr. Bland, there will be total disintegration of the agency and brokerage business.

Most of the mutual companies, Mr. Bland observed, sell only a few lines and do not have the facilities properly to advise assured on general insurance requirements. The average man does not know what he actually needs until he has the advice and counsel of the producer.

Plate Glass Rate, Rule Changes Now Effective

(CONTINUED FROM PAGE 13)

mouth and Youngstown, O.; Dallas and Ft. Worth; Hampton, Newport News, Roanoke, Salem, Portsmouth and Norfolk, Va.; all of West Virginia except Charleston; Milwaukee county, Racine and Superior, Wis.

Rates are lowered in Bridgeport, Conn.; Baltimore, Md.; Salt Lake City and Ogden, Utah; and Spokane, Wash. The changes are made solely on reviews of experience in these localities. In the territories where rate increases have been promulgated, it is quite probable that industrial disturbances had an effect on the experience data, but there has been no attempt to increase rates to allow for additional losses due to labor troubles.

Late News from the Casualty Field

Western Case May Bring Change in Liability Form

SAN FRANCISCO.—The moot automobile liability case of Western Machinery vs. Bankers Indemnity, wherein the California district court of appeals reversed the lower court when the company denied liability for the claim on the grounds that the prospective buyer of the Western Machinery Company was a passenger being carried for implied consideration when injured and therefore was not covered, is still open and far from settlement.

Attorneys for the insured have been granted hearing by the California supreme court, which virtually reverses the court of appeals and sets the status back to that of superior court. Hearings will be held in October for oral argument.

Four groups of attorneys not connected with the case have filed four lengthy separate briefs as friends of the court favoring the insured. Many technical points are involved. The contention in the brief filed with the supreme court indicates considerable rephrasing of liability policies may be necessary properly to distinguish coverage on private automobiles while excluding guests under the guest law.

Form Aetna Graduates Club

KANSAS CITY.—A group of agents here, at Wichita and in St. Joseph have formed the Aetna Home Office Sales Course Graduates Club, made up of those who have gone through the Aetna Casualty school at Hartford. The club will hold monthly meetings. President is John E. Ryan; vice-president, B. R. Williams, and secretary, P. S. Lorie, Jr. Other charter members are C. M. Orear, A. C. Huey, J. S. Spellman, Jr., W. E. Patt, W. G. Matchette, R. J. Noble, Lawrence Ramsey, L. B. Fellison, J. F. Murphy and C. W. Curley.

Launch Beauty Craft Company

The Beautycraft Insurance Company, Fresno, Cal., has been authorized to issue stock and will engage in the insurance business in connection with the cosmetology and beautycraft industry. While the company will later qualify for writing workmen's compensation covering employees of the industry, at present

it proposes to write public liability to protect operators of beauty shops and schools.

California Guest Law Is Clarified by Court Rulings

SAN FRANCISCO.—Two important decisions affecting the California guest law have just been rendered by the California supreme court. In a suit against Clifford Hoffman, football star, for injuries suffered by Mr. and Mrs. John McCann, who were riding with Hoffman when his auto was hit by a truck, McCann contended that he was paying a portion of the expenses of the trip and that the "guest" law, under which it is necessary to prove "wilful misconduct," did not apply. The supreme court, however, held that "sharing the cost of gasoline and oil consumed on a trip, when that trip is taken for pleasure or social purposes, is nothing more than the exchange of social amenities and does not transform into a passenger one who without such exchange would be a guest."

In the second decision the supreme court upheld award of \$25,000 damages to Dr. Mary E. Walker of Oakland in a suit against her business partner, Stella H. Adamson. Dr. Walker was injured when Miss Adamson's car skidded on a wet pavement. The court held Miss Adamson was "guilty of negligence" because she was driving fast, although she knew the rear tires were smooth. The award was upheld on Dr. Walker's testimony that she had paid Miss Adamson \$50 for trip expenses, thus becoming a "passenger and not a guest" of the driver.

Raise Liability Limits

The Connecticut public utilities commission has issued an order affecting 3,200 Connecticut truck operators, boosting minimum amount of public liability coverage that each trucker must carry. The former limits of \$10,000 for death or bodily injury for one person and \$20,000 for death or bodily injury for more than one person in a single accident, have been raised to \$15,000 and \$30,000 respectively, in line with the act of the last General Assembly raising from \$10,000 to \$15,000 amount of damages that may be awarded in courts for death of a person in an accident.

Policies being renewed or rewritten on and after Aug. 2, must conform to the new limits. All policies must conform to the new limits by Dec. 31.

Edgar Bloch Assistant Secretary

NEW YORK.—Manhattan Mutual Automobile Casualty has appointed Edgar Bloch assistant secretary in charge of underwriting. He was with National Surety from 1912-17. After the war he joined Frank B. Hall & Co., brokers. In 1925 he joined Ocean Accident. Subsequently he was with Capital City Surety and the Vehicle Underwriting Agency. He has been in the underwriting department of Manhattan Mutual since 1934.

Woodward, A. & H. Leader, Dies

NEW YORK.—A. P. Woodward, first head of the Connecticut General Life accident and health department and since 1925 a partner of the Gaudin, Woodward, Cook & Gudeon agency of that company in New York, died in Peck Memorial Hospital, Brooklyn, after a brief illness. He was 59 years of age. He just recently celebrated his 25th anniversary with Connecticut General. Prior to 1912 he was with the Travelers. While with Connecticut General at the head office he had the title of secretary.

Miscellaneous Notes

Mrs. Dan A. Rose, president of the New Orleans insurance firm bearing her name, died there.

The "Dixie Underwriter," published at Raleigh, N. C., has been merged with the "Southern Underwriter," published at Florence, S. C.

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